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Socialism at Work



Results of the Working of Various
State Enterprises established by
the Queensland Ryan Government.

1918.

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Socialism at Work



How the Queensland Government
succeeded in profitably establishing
State Ventures where the needs
of the people called for State
Competition or State Monopoly.

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CONTENTS.

CHAPTER.	PAGE.
1—GROWTH OF PRIVATE POWER	5
2—THE DAY LABOUR SYSTEM	7
3—THE STATE SAWMILLS	17
4—CHEAPENING MEAT PRICES	25
5—THE STATE AS STATION-OWNER	32
6—CONTROLLING THE FISH INDUSTRY	40
7—THE STATE'S MINING VENTURES	46
8—THE STATE AS SHIPOWNER	51
9—NATIONALISING THE SUGAR REFINERIES	58
10—THE STATE LABOUR BUREAU	67
11—NATIONALISING THE LIQUOR TRADE	74
12—RAILWAY REFRESHMENT-ROOMS	79
13—STATE INSURANCE	83
14—THE PUBLIC CURATOR	92
15—THE STATE SAVINGS BANK	99
16—REPATRIATING SOLDIERS	102
17—INDUSTRIAL ARBITRATION	112
18—LEGISLATION PASSED	118
19—NATIONAL PARK	134

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SOCIALISM AT WORK.

CHAPTER 1.

THE GROWTH OF PRIVATE POWER.

The Queensland Parliament, elected in May, 1915, during the first two years of its life has initiated certain State business undertakings, and has developed others, besides passing legislation directly aimed at improving the conditions of wage earners. In some enterprises, such as the establishment of the State butcheries and the State Insurance Office, the machinery of administration has been constructed from its foundation by the Ryan Government; whilst in those of which the State Employment Bureau and the Savings Bank are typical the Ministry has consolidated, extended, and improved, in the light of subsequent knowledge, on the work of previous Administrations.

Where the Government has entered into the arena of trade, the object has not been to secure monopoly or to squeeze out of business legitimate private traders, but to protect the public by competing with the latter on fair and efficient lines. The need for action of this sort has been growing progressively more apparent for the last two decades. For many generations, the natural operation of forces of supply and demand protected consumers from exploitation at the hands of producers or middlemen. The results of the industrial revolution of nearly a century ago, arising from the invention of steam and the evolution of the joint stock company, brought slow death to competition as a beneficial force in industry and commerce, and the tendency ever since has been for capital and control to concentrate into fewer and still fewer hands. For a long while, this movement was slow and scarcely apparent; but of late years electricity, cold storage for perishable products, improved ships, and a thousand and one modern devices have hastened the growth of the huge company, such as the Colonial Sugar Refining Company; the trust, such as the Shipping Combine; the ring, such as completely controlled butter prices until war conditions forced the Government to interfere, and various other organisations, all of which, when the State allows them, autocratically fix prices in the

interests of one numerically insignificant class of the community, regardless of the welfare of the masses. As the result of an investigation ordered by a Liberal Government, the Federal law authorities reported, eight years ago, that there then were twenty-seven combines in Australia, each extending beyond the limits of a single State. The growth of monopoly has passed beyond the sphere of political argument. The sole point in this connection now in dispute is how these organisations may best be dealt with, to the advantage of the general community. The outbreak of war tightened the grip of those monopolies which already existed and led to the birth of others. The need for action being taken in the interests of the people was never so pressing as it became shortly after the Ryan Government took office, nor were the difficulties of finding a successful solution ever so formidable.

One class of reformer would seek to protect the public from the exactions of monopolists, or combinations of capitalists who collectively constitute monopolies, by regulation, which, though permitting those centres of power to exist, would fix wages, working conditions, and prices. An alternative plan has been the straightout nationalisation of whatever producing or trading concern can be shown to exercise a power harmful to the people. The Queensland Government, in most of the enterprises embarked upon during the last two years, has shaped a middle course between these two methods. Not content with regulating prices charged to consumers, as by the Price Control Board, and even as between primary producers and manufacturers, as in the case of the Sugar Cane Prices Boards, it still has only sought State monopoly in the case of Insurance for Workers Compensation, and in facilitating the Federal Government to obtain command of the sale and distribution of sugar, in both of which cases the arguments against the survival of competition were unusual and unanswerable.

In other instances where special need for protection of the consuming public was apparent, the Government entered into competition with private traders. Present indications point to competition from the State proving a more efficient method for keeping down prices and insuring good service than any amount of direct regulation could do. In each instance, the State has not aimed at making profit from its undertaking, though, in most cases, profit has accrued. The various trading enterprises, calculated as a whole, have yielded a net profit. Up to date the State sawmills alone showed a loss; and that represented less than a tenth of the profit returned during a shorter period of

time by the Day Labour branch of the Public Works Department. The State Treasurer, in his 1917-18 Budget, estimated a net profit on all the new State enterprises of £50,000 for the current year. But the object is not to do more, in this connection, than to return interest on capital outlay and to meet all fair and legitimate working expenses. The main purpose is to benefit the public by selling at the lowest prices which are compatible with paying adequately and fairly for services rendered by all the people engaged in the business.

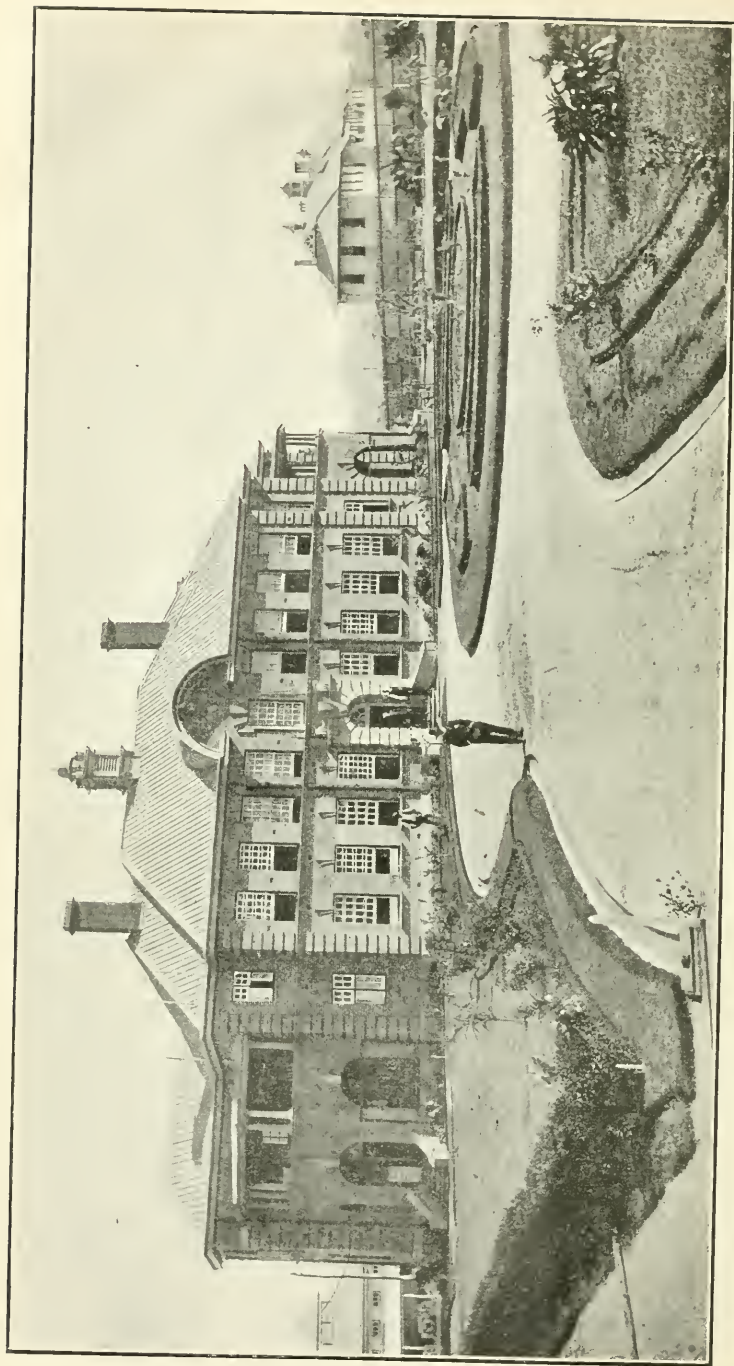
Exhaustive inquiry has preceded each enterprise, and, wherever practicable, early operations have been based on a small scale, in order to enable the adjustment of administration to be shaped according to the Government's own experiences. For instance, one hotel and one butcher's shop were established as a preliminary to others. Each undertaking is shaped to fit special circumstances and special requirements. A bold, yet cautious, policy of collective enterprise is being made successful because each problem is approached with an open-minded desire to first ascertain all the surrounding facts. Precisely the same means for increasing efficiency and economy cannot be adopted successfully in any two trades. The principles of socialism can be applied only according to the individual facts of each industry.

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CHAPTER 2.

THE DAY-LABOUR SYSTEM.

The Government adopted the day-labour system in carrying out public works as a means for securing economy and of increasing efficiency. Abnormal conditions arising from the war, and, in a lesser degree, shrinkage of production resulting from the 1915-1916 drought, had forced upon the State Government the choice of three alternatives: Taxation might have been increased till reaching breaking point, beyond which the people could not pay; loans might have been piled to a crushing mountain of debt for the shoulders of posterity; or the State might engage in industry, and by that means honourably earn, for the whole of the people, profit which previously found its way into the pockets of a numerically small class of the community. Desiring to lighten rather than to increase the burden of taxation, and determined to enter into no obligations which the country could not be regarded safely as able to meet, the Queensland Labour



ADMINISTRATIVE BLOCK, MENTAL HOSPITAL, IPSWICH—BUILT BY DAY LABOUR.

Government naturally adopted the policy of launching upon State enterprises, which would:—

(1) By selling to the public more cheaply than private enterprise does, render people better able to afford those taxes which are unavoidable;

(2) By giving better value to the purchaser for his money, either to the individual, say, in the retail butcher's shop, or to the community in the shape of a building erected by day labour, increase the wealth of the country; and

(3) By retaining for the State the profit previously accruing to private enterprise, add to the revenue and render taxation and borrowing increasingly unnecessary.

One of the most important departures made by the Government in this direction was in substituting for the contract system Government supervised day labour in constructing buildings and other public works over the whole area of the State.

Greater Economy.

The State works at considerable economic advantage as compared with a number of private contractors. When the contractor has his tender accepted for some large undertaking, his first task is to get together a team of workmen and a staff of supervisors and foremen. Also, he has to secure some of the implements needed in carrying out so large a job. His team of men could not be so carefully selected or work together with such harmonious efficiency as would be the case with the State when applying the day-labour system as a settled policy, and thus always having a regular volume of work. Some of the special plant needed for the big job might not be needed by the private owner again for some years, and perhaps it would pay him best to sell it at a big loss on completing the contract. Much of the contractor's capital outlay would therefore be added to the price charged to the Government.

The contractor relets contracts for portions of the work he undertakes to do, and to that extent the State must pay two profits.

Some work is not easy to estimate the cost of, and materials fluctuate greatly and sharply in price. Thus to the profit aimed at by the contractor is added not only portion of the capital cost of some of his plant, and in some parts of the job a second contractor's profit, but also a liberal margin for any possible rise in prices or errors which he may make when framing his tender.

On top of all this, the State must pay for the supervision by its own officers of works carried out under contract. The contractor aims at cheapness, whereas the duty of the Public Works Department is to secure efficiency and durability. The establishment of the day-labour system in Queensland is already saving some thousands of pounds per annum in cost of supervision. The duties of inspectors have been changed into that of supervisors in their respective districts. They are now doing work which was formerly a contractor's charge on each individual contract, and by this means a saving aggregating much more than their collective salaries as inspectors accrues to the Department. Besides which the Department have the advantage of utilising in a direct and profitable manner the services of experts who by reason of long experience know exactly what is required.

A Fair Comparison.

The surest test of the results of the working of the day-labour system is contained in the actual cost of completing jobs for which tenders had been called from private contractors. When the system was first adopted as a settled policy, a number of such undertakings was put in the hands of the Day Labour Branch, and the completion of these showed a clear gain, as against the prices proposed in the lowest tenders, of £23,287. The total figures in connection with these various jobs are as follows:—

Lowest tenders	..	..	..	£117,292
Actual cost	..	..	..	£94,005
				<hr/>
Savings	..	..	..	£23,287

At a later date, tenders were called for the construction of the State Hotel at Babinda, and the figure proposed in the lowest of these was £18,846. The State has since completed the work at a clear saving of £2,903 on the amount of £17,282 authorised for the work.

Although the State has cleared some 19 per cent. on the jobs so far completed, and for which tenders had been called, the circumstances have proved entirely unfavourable to the Department; and had moderately good luck been experienced the gain would have been nearer 40 per cent. than 20. The works completed have been carried out at a far greater cost of material than was reckoned on in the tenders with which the actual expenditure has been compared. Some of the tenders were based on pre-war prices, and all of them on prices much lower

than the Department was forced to pay. A few of the increases are shown as below:—

	1914.	1917.
Bricks	55s. per 1,000 ..	75s. per 1,000
Cement	12s. 9d. per cask ..	27s. per cask top price, 1915-16 18s. per cask present rates 16s. three bags, present rates
Lime	5s. per bag ..	6s. per bag
Pine	20s. per 100' super ..	26s. per 100' super
Hardwood ..	21s. 6d. per 100' super	30s. per 100' super
Corr. galvd. iron	£18 10s. per ton ..	£70 per ton
Plain galvd. iron	£18 15s. per ton ..	£80 per ton
Sheet lead ..	£27 per ton ..	£45 per ton
Nails	16s. per cwt. ..	48s. 6d. per cwt.
Plate glass ..	1s. 8d. per sup. foot ..	2s. 9d. per sup. foot
21-oz. sheet glass	4½d. per foot ..	9d. per foot
Marseilles tiles ..	£13 10s. per 1,000 ..	£22 per 1,000
Wall tiles ..	10s. 6d. per yard ..	15s. per yard
Fibro cement sheet- ing	2s. 6d. per yard ..	3s. 6d. per yard
Steel ceilings ..	1s. 6d. per yard ..	1s. 8d. per yard
Fibro cement slates	£20 10s. per 1,000 ..	£35 per 1,000
Mixed paints ..	12s. 6d. per gallon ..	18s. 6d. per gallon
Raw oil	3s. 6d. per gallon ..	7s. per gallon
White lead ..	36s. per cwt. ..	78s. per cwt.
Zinc white ..	38s. per cwt. ..	110s. per cwt.
Steel and iron ..	£10 10s. per ton ..	£27 per ton
Rolled steel joists	£14 per ton ..	£40 per ton
Ironmongery ..	double pre-war prices	
Brass and copper	treble pre-war prices	

Added to the handicap imposed by these substantial advances in prices of materials it is only fair also to consider the difficulties inseparable from the inauguration of any new method.

All other things being equal, each year of the life of a settled day-labour policy should show more efficiency and economy than the first year, because the machinery of organisation will have been increasingly perfected and the individual capacities of the various employees more thoroughly tested and better understood by the men over them. Only within the last few months has the system been extended to include the whole State. To-day supervising officers are stationed at Cairns, Townsville, Rockhampton, and Toowoomba.

A substantial source of economy arises in the purchase of material. The merchant will always sell most cheaply to the buyer who deals on the largest scale and whose credit stands

highest. No contractor buys so largely and few have credit so undoubted as the State. Already the Department has been able to save very large sums by purchasing large stocks at favourable times. On one occasion the Department was the only holder of cement in the State. In June, 1917, it held large stocks of paint which had been acquired at 40 per cent. below the then current rates.

The State has practically ceased calling for tenders for State works, but the savings shown by the quoted comparisons are being maintained, making allowance for the increased cost of materials.

Improved Workmanship.

Work carried out for public purposes by the State itself includes a higher standard of workmanship than that completed by a contractor admittedly in the business for his own profit. In the former instance efficiency is the primary object. The State will try to work cheaper than private enterprise can; but it will place durability and quality of finished product before the question of mere cheapness. That has been the case in the instance of the buildings already completed by day labour under the present Government. A saving of nearly 20 per cent. has accrued to the public purse; but that object has not been sought so much as the attainment of a higher quality in the work. Competent critics have set the increase in the quality of material and workmanship in the State-erected buildings as compared with contract-made structures, at not less than 25 per cent. Works other than new buildings display a proportionate improvement. This is particularly apparent in the case of repairing.

Efficiency is more possible of attainment by the State than by a private contractor. No contractor can maintain in constant operation so huge a plant, nor can he offer regular employment to so large a number of men. The Department has so much work on hand that the termination of one big job is made to fit in with the commencement of another. As most men desire constant work and regard enforced idleness as an unmitigated loss to themselves and their families, the best men tend to offer their services to the State, and when once engaged by the Department they are reluctant to return to private employment. Not the least of the advantages of the day-labour system is the continuity of employment to all classes of labour affected by it.

Administrative Cost.

Under day labour the cost of administration is much lower than under the old contract system. It necessarily must be. Big business well organised and controlled must always beat small business. Instead of a small army of contractors, with their

respective staffs. day labour is centrally controlled by a superintendent, a deputy superintendent, and a staff, who deal with increasing efficiency with all the requirements of the Department's building work throughout the State.

Every cost of the day-labour system, excepting that of the salaries of the superintendent and the deputy superintendent, is apportioned over the various jobs, and therefore is included in the reckoned cost of each job. Before any undertaking is approved by the Minister, an estimate is made, just as was done before tenders were called under the old regime. For instance, they showed that the tender of £41,598 for one of the jobs undertaken by the Denham Government was ridiculously high. Ultimately the same work was done by day labour for £32,768, including £444 for extra works, thus saving £9,273. They prevented £15,703 being spent on the Technical College at Rockhampton for work afterwards carried out by the Department, at a total cost of £12,733.

On every job the pay of the foreman, and all other expenses of supervision, are debited against the undertaking; and the office of seeing that no one on the job cheats the State by putting in bad material or skimping work is no longer needed. Under private contracting, an inspector remained permanently and exclusively employed on every big job, and his salary stood as an expense over and above the amount paid to the contractor. One such official would distribute his time over several small jobs.

How the Workmen Benefit.

Though the day-labour system has been inaugurated mainly as a matter of public expediency for the benefit of the general community, the workmen employed on Government works are benefiting more from the change than do any other members of the community. The workmen are better off in a general sense, because they are members of the community, which is saving money and securing greater efficiency. Also, they are gainers directly, because the Department recognises a responsibility towards its employees not admitted by private enterprise. The unions are being strengthened and consolidated by the method under which workmen are engaged. The operation of political influence, as an agent for securing appointments or promotion for some individuals with special pull over a member of Parliament or other person with power, has been effectively banned from the outset. Never for any previous work in Queensland, Government or private, have men been engaged with such complete non-partisan fairness as that underlying the day-labour system as now operating.

Foremen of the various jobs are armed with authority for discharging men unsuitable for the work they have undertaken to perform. Efficiency could not be secured or maintained unless the officials in charge were given this right. Responsibility would be a farce were power not given with it, in precisely the same way as power without responsibility becomes a two-edged sword. But no foreman, or even the Superintendent, prevents the appointment of any individual, nor the reappointment of any individual previously discharged. Neither is the latter permitted to be penalised in any way. His second chance, or unlimited further chances, are fair chances, unimpeded with handicap. No punishment, beyond the idleness accruing between discharge and reappointment, is allowed. This arrangement works automatically, and without hitch, by the method under which vacancies are filled.

If the Department requires two bricklayers and three carpenters, forms stating the requirements are filled in and sent to the Government Labour Exchange. The officer in charge of the latter institution has at his hand a list of the names of the unemployed members of the bricklayers' and carpenters' unions. He then sends to the Department the two bricklayers and three carpenters whose names were registered as being without work at the earliest date. Unemployed men are thus taken in rotation, the workmen longest out of a job being selected first, and so on.

The individuals sent by the Labour Exchange must be placed in the vacancies. In experience, the method has been found to give excellent results. The officials do not lose time in interviewing applicants for work, and they suffer no worry and inconvenience from political interference. The latter advantage places the new day-labour system on a footing separating it from almost all previous State undertakings in all the States. Throughout the past, the application of collective enterprise has been discredited more by political log-rolling than by any other single cause. The member of Parliament using his position to secure a job for his wife's nephew or his own electioneering supporter has proved a potent enemy to democratic advancement, and a hidden ally to every apologist for private enterprise and defender of vested channels of private profit-getting.

A Fair Day's Work.

The officials responsible for carrying out the day-labour system, rather than feeling any handicap in not being vested with the function of first selecting their own workmen, declare that, while the system the Department is worked on greatly

economises their time and relieves them from being canvassed by interested parties, it also is producing the very best results in the quality of the men being drawn together. Confidence of being fairly treated, and of a continuity of work, is generating already a happy spirit of loyalty to the department among the employees. In but a few cases has it been necessary to discharge men, but, even in such instances, bitterness has not been aroused, for the man affected is sure of being afforded a fresh opportunity, whilst the lesson he has learned of the Department's requirements has exercised a beneficial influence both on the man directly concerned and on his companions. Though nothing in the nature of the pernicious "speeding up" system is permitted by the Government, the success of the day-labour system, which has been regarded as on its trial, is recognised as depending on a reasonable amount of voluntary effort being put forward by the men, and no attempt "to impose on the job" is tolerated. The few isolated instances in which State employment has been treated as a fair field for "pointing" have been treated in the way they deserved.

The gains from an employment standpoint are progressive. The benefits from regular, well-paid, State employment, as against irregular private employment at the lowest wages and worst conditions allowed by the industrial laws of the country, continually become more apparent. And each month the selective process, under which the suitable men are retained and each man placed in the position he is best able to fulfil, goes on. The organisation continually is improving, and the foremen with each job are learning better precisely what it is the Department requires of them.

Evolutionary Growth.

Day labour was started as a settled policy by the Ryan Government in the south-eastern corner of the State. When thoroughly established and exhaustively tested in that district, the organisation was extended so as to embrace the full area of the State. The beginning was gradual, for the Labour Government inherited a legacy of commitments to private contractors which had to be completed. Among these was the contract for building the State Savings Bank at a price of approximately £113,000. As the contractors completed their undertakings and other jobs were begun, the Department engaged upon increasing quantities of work, first in the South-east and then all over Queensland.

The Day Labour Branch of the Department, on reaching what may be termed its maturity, therefore, was the outcome of evolutionary growth rather than of sudden revolutionary change.

When the machinery of administration and organisation was youngest and had most to learn, least work was on hand. Knowledge was increased and experience ripened along parallel lines with the growth of responsibility. The method under which the Government has established day labour stands as a triumph of business far-sightedness and practical organising efficiency. Sound value for money at a minimum of expenditure has been provided, pernicious political interference has been bolted outside the departmental doors; regularity and continuity of employment have been provided for the workers, the unions have been recognised as the proper mediums through which to negotiate with individuals, and in that way a strikingly impressive illustration is being afforded of the advantages of collective bargaining, and the Treasury of the State is being enriched by all the amounts previously pocketed by contractors, plus the amount which is being saved by the operation of a big, effective, economical, State machine. The multitudinous little private machines, through the past have clashed with one another in drawing on the labour market spasmodically and with no regard to the welfare of the workers. Directly and indirectly they have wasted money by their smallness, and they have always been manipulated for immediate narrow objects and never for distant broad purposes of State.

Work Doing and Done.

The number of men employed by the Department and the total value of the works in hand, coupled with the value of those completed, illustrate the dimensions of the task which the responsible heads have so successfully managed.

The saving in the initial stages, as compared with the contract system, has been more than maintained during the later period. The State is directly benefiting by a good many tens of thousands per annum.

The Lesson.

The day-labour system has passed out of the arena of experimental enterprise. Exhaustively it has been tried and found good. Not even the most prejudiced opponent of State enterprise would, if in ministerial power, now dare to revert to the old method of private contracting. The apologists of private enterprise in State undertakings are no longer able to set up any kind of a case against day labour, except by misstating the facts. False allegations are still sometimes made, and usually take the form of declaring that the Day Labour Branch of the Department makes its own estimates and, therefore, that its alleged savings are not existent in fact, that a "go slow" policy is encouraged, and the foreman dare not discharge unsuitable

hands, that political influence opens the door to employment of men rejected by private employers because of inefficiency, and that the administration of the Department has opened a new and hidden avenue of public expenditure.

The truth regarding these canards has already been stated in this article. So successful, from a business standpoint as well as because of wider social and economic reasons, has day labour already proved itself that the public are fast becoming familiar with the real facts. Soon it will be superfluous to attempt a defence of day labour.

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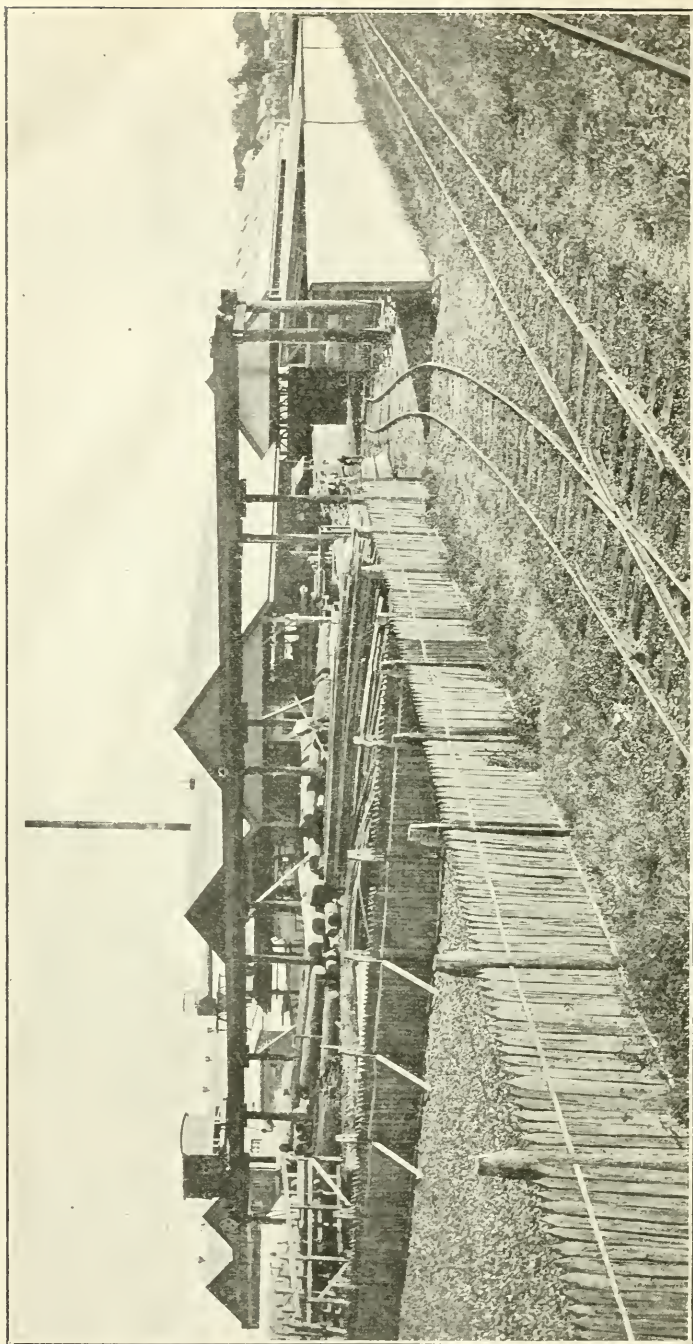
CHAPTER 3.

THE STATE SAWMILLS.

The State Sawmills were acquired in pursuance of the policy that the Government should, so far as is expedient, supply its own industrial needs. The enterprise is a consequence of the establishment and success of the day-labour system throughout Queensland. When the former venture was embarked on, results were showing that public works could be carried out by day labour at a saving of about 20 per cent., as compared with the lowest tenders submitted by private contractors for the same jobs. That a principle proving in its application so manifestly beneficial should be extended so as to include the supply of the main class of material needed by the Day Labour branch appealed to the Government as a sound business proposition, besides being in accord with the economic policy of the ministerial party in Parliament and of the labour organisations throughout the constituencies. The Government had become an increasingly extensive purchaser of timber, and the public requirements were likely to rapidly extend to still greater dimensions in the immediate future. A small ratio of saving in the cost of this class of material promised to involve a large aggregate economy to the community, and one, which, when added to the saving effected through the adoption of day labour, would enable the Public Works Department to carry out, for a given sum of money, many more undertakings than hitherto had been possible.

Combine Prices.

Though benefiting to some extent from the competition emanating from country mills, the Government, together with other consumers, were compelled, up to the end of 1914, to pay for their supplies of timber pretty well what the city timber merchants demanded. For the previous five years an association of metropolitan vendors had dominated the market. Early in



STATE GOVERNMENT SAWMILLS, NEWSTEAD, BRISBANE.

1916 the country millers formed an organisation for the purpose of working in conjunction with the city body, particularly in the matter of price regulation. The Government had no more power than had the smallest purchaser in resisting the demands of the association. Until entering into the business itself, the Government must buy from the combine, or go without timber. No standards existed for testing whether prices charged were fair or not, because the influences of supply and demand were not permitted to operate. Rates were arbitrarily fixed by the vendors in the interests of the vendors, and no other considerations were allowed to enter into the matter.

Twice within the five years preceeding the action taken by the Government late in 1915 the association put up prices without reference to any authority whatever. The usual excuse was made to the community. Industrial legislation and wages board decisions were made the scapegoat of each fresh step in the direction of adding to the cost of the home under construction, or of other buildings. The public knows from experience that when prices are increased for the ostensible reason of meeting an increase of wages but very small proportion of the extra money gets into the pockets of the workers. Small increases in wages are only too often but convenient excuses for large increases in prices.

Just before the State acquired a sawmill and had demonstrated its intention of seriously entering the business, the association of millers had agreed upon a new scale of prices, including increases amounting, on some items, to 3s. per hundred superficial feet.

The Government had the best of reasons for believing the private millers to be charging the public and the State unreasonable prices. But no means existed for accurately checking the rates, because the industry was controlled by a combine, and the absence of competition entails an absence of a basis for comparison. No means existed for forcing the associated millers to deal fairly with the community, even if it were established that their methods were tyrannical and their charges excessive.

As a plain business proposition, the arguments in favour of the State itself entering the industry were overwhelming.

The State's Resources.

For many years the impotence of private enterprise to develop the timber industry of Queensland has been apparent. More than a thousand distinct species of trees are indigenous to the State. The native forests contain timber suitable for every purpose for which timber is used in any part of the world. The high quality of Queensland woods for every industrial

requirement has long since passed beyond the stage of dispute. Every man with a scientific knowledge on the subject, and a great many with only empirically acquired information, know that only the outer fringe of the possibilities of the State's timber industry has yet been touched. But considerable quantities of timber are imported annually to these shores, both as raw material and made up in finished commodities, thereby taking from thousands of our own people remunerative employment rightfully theirs.

Lack of sufficient capital on the part of millers has restricted the development of the industry. Most of the employers engaged in that business are financially weak and carry on operations on a small scale. During 1914, that is, the last year before the war, there were 252 different mills, having a total horse-power of 7,249, and employing an average of 4,359 hands. The total value of the machinery and plant was only £441,493, an average of but £1,355 to each mill.

The timber industry can be developed successfully only by the application of large amounts of capital. For the business to be split up, as now is the case, among a great number of millers who individually are in a small way, is to waste the resources of the State, as well as to hide from the consumer, local and foreign, the merits of the Queensland article. At present only a small proportion of local timber is properly seasoned before passing into consumption, with the result that it shrinks when in buildings and earns for the local product generally an undeservedly inferior reputation. To properly season timber entails the use of adequate capital by the miller.

Quantities of timber are now wasted because of lack of capital to explore new methods. The heads of trees and other waste products, used in other countries for paper-making and other purposes, in Queensland are far too frequently left to rot on the ground, though quite as valuable here as elsewhere. The State now imports supplies of a hard material made from wood, in the form of very thick, durable cardboard, for lining houses. This might be made here profitably. But a large aggregation of under-capitalised small mills will do no more than run along stereotyped lines, leading a hand-to-mouth existence, and breaking no fresh ground.

State enterprise in the timber industry would be managed with an abundance of capital at hand, and inspired by broad national objects. The great variety of purposes for which Queensland timber is naturally adapted would receive, from State control, its proper attention, and the way would be opened to giving remunerative employment to a greatly increased number of people, as well as enormously widening a source of national wealth.

The Present Position.

About the middle of December, 1915, the Labour Government acquired a sawmill at Newstead, Brisbane. A manager was appointed to carry on the enterprise for the State, and he took possession during the middle of January, since when the undertaking has been running uninterruptedly. Between 60 and 70 men are employed regularly at this establishment.

At Taromeo the State has acquired a second, though smaller, mill, between 20 and 30 men being engaged at the latter, exclusive of those employed in hauling timber and otherwise procuring material.

The outbreak of war exercised the immediate effect of progressively increasing the price of building. This has been not so much because of a rise in the price of timber as of other classes of material, such as brass, iron, and nails, soaring up to rates they had never touched for many years. A slump in building occurred. Yet for many months the State sawmills were unable to meet all the demands made upon them. A great deal more timber could have been sold had it been available.

However, the cost of material kept increasing at such a rate that by the middle of 1917 the cost of erecting a cottage had increased by 50 per cent. Under such circumstances, no one would invest capital in building if he could help it. Probably no other large industry in the Commonwealth suffered from the effects of the war to so pronounced an extent. The consequence was that the supply of timber overtook the demand, and, by 1917, the State mills at Newstead were able to fill the requirements of all customers, and were accumulating reserve stocks. Unlike the experience at so many privately owned concerns, all the employees at the State mill were kept working.

An unfortunate result of the slump in the building trade and the tightened money market has been the suspension by the Government of an original intention to push on with the construction of what would have been the most up-to-date mill in Queensland, at Imbil, on the Mary Valley line, 20 miles from Gympie. This will ultimately be hastened on, and it will have a capacity of output of about 30,000 feet daily. By 30th September, 1916, a sum of £2,648 had been spent on the construction of the Imbil Mill. Because of the methods of operation held in view by the management, the working of this prospective establishment will tend in the direction of a higher class of commodity being placed into consumption.

Financial Results.

By the Auditor-General's report the State Sawmills showed a loss for the period ending on 30th June, 1916, of £1,380, but

this is accounted for by an error made in purchase, which is charged up to the profit and loss account. The excess price was probably between £2,500 and £3,000, and, had it been written off, or charged to capital account, the profit would thus have been well over fifteen hundred pounds. So far as it is humanly possible to estimate, the enterprise is being conducted on lines and at figures which will permanently be profitable; and present indications point to the initial loss being wiped out as a result of the working of the current financial year. Profit has not been one of the primary objects inspiring the Government in the steps it has taken; but, after careful calculation, the management believes that so soon as conditions settle down the various mills, with circumstances and prices as they now are, will considerably do more than pay interest on the capital they represent. And these prices embody a very material gain to (1) the general consumers of timber; and (2) the general taxpayers in their capacity of consumers of timber through the Public Works Department of the State.

Shortly before the present war began the timber merchants had decided to apply a new scale of prices which were higher than rates previously operating. But with the outbreak of hostilities the private vendors resolved to adhere to the scale in operation at the latter end of July, 1914. When the conflict had been some months in progress, and merchants discovered that timber was still being required in Queensland at something not very different from the normal requirements of the place, they went back to the higher prices framed before the fateful 4th of August. Entering the business as a newcomer, the State resolved to adhere to this latter schedule of charges, less 5 per cent. to general buyers. More recently, however, an all-round increase was rendered necessary by war conditions; but the differences between State and private charges were adhered to.

The State has not rested satisfied with a total reduction of only 5 per cent. to private vendors. A further decrease of 5 per cent. was decided on for workers' dwellings. A noteworthy point in this connection is that the State sawmills were running for so short a while when the saving of 20 per cent. as shown in the results of the working of the day-labour system as compared with tenders, as illustrated in the chapter on day labour in this publication, was earned with very little of the aid of this gain in the purchase of material, and that in future this further saving will reflect itself in so much greater advantage accruing to the day-labour method.

To emphasise the public good accruing from considerable aid being given to all those wage-earners who are striving to establish for themselves the measure of economic independence and social benefit derived from ownership of a home would be superfluous. The concession of 10 per cent. in the price of material allowed by the management of the State sawmills in the case of workers' dwellings can hardly fail to stimulate wage-earners in availing themselves of the advantages offering.

Taking the average for the whole of its output, the price charged for the State-produced timber works out at almost 10 per cent. lower than obtains in the case of the product of private mills.

But the saving in price is small compared with the advantage which will be gained in quality. In order to be properly seasoned, timber should lie in idleness for at least twelve months before being used. Few private millers command the use of enough capital to enable them to comply with this need. Consequently, green wood is used. The loss caused by inferiority of this description does not end with the article immediately concerned. The shrinkage of the timber in a building brings about the deterioration of the value of the whole structure. Reserves of stock, amounting at the time of writing to about 3,000,000 superficial feet, which lie at the Brisbane mill represent an outlay of considerable capital, but they ensure the material being thoroughly seasoned.

Though charging less money for the finished product and giving higher quality than private vendors, the State management holds no advantage over private vendors, which might be thought to accrue to it on account of administering a branch of State activity. The department is charged the same for railway freight and all other Government services as is made to apply in the case of its competitors, the private millers. In royalties the State venture pays above the average, as many of the private competitors are working on old privileges secured at much lower rates than would now be agreed to. In wages the management pays more than does the capitalist. The employees of the State sawmills are paid for many holidays for which no remuneration is received by the hands working for private mills. Each employee is paid for one week's holiday each year and for nine public holidays per annum, as well as being paid when he is ill. This involves an expenditure of £300 per annum. To that extent the Government is paying higher wages than are private

firms. Thus the community gains three advantages from the State enterprise:—

(1) Private consumers and general taxpayers, through the medium of the Public Works Department, secure cheaper timber than has previously been within their reach;

(2) Consumers, because of the seasoning the timber receives in the State mills, are given a higher quality and more durable article than they usually got before; and

(3) The State benefits by the improved living standard following from better treatment of employees and improved wages.

Developing the Trade.

Indications have not been lacking of the State enterprise having led to foreign inquiries for supplies of Queensland timber, and doubtless the latter would have been more numerous had the war not paralysed shipping facilities and disorganised the world's industrial and commercial adjustments. Under the old regime, outsiders in distant lands desiring to experiment with Queensland woods found open to them no channels for securing what they desired, except from private firms more or less unknown to them and interested in nothing beyond their own immediate profit. But to-day the overseas buyer may communicate with the State, which, besides being in a position to supply requirements, is manifestly interested in no consideration beyond promoting the interests of the State and adding to its commercial reputation.

The biggest gains to accrue from the State action will not make themselves immediately apparent. The more extensive are the activities of the Government the clearer will become the advantages of developing methods of utilising, for widely varied purposes, the thousand odd species of indigenous trees adapted, as they are, for every purpose from constructing buildings, making ships, and supplying supports for bridges, to the finest of cabinet-making. Queensland timber is as rich in beauty as in utility, and in durability as in bulk. The State will open up the manifold branches of this most promising and fertile of industries in countless directions, which private enterprise could never have much more than contemplated, and a prolific source of wealth and employment will be established in manufacturing and exporting various products of wood as well as in the production of raw timber.

In North America, Norway, and other parts of the world, rivalled by Queensland in wealth of native forests, wood is being used for continually increasing purposes. A State department may keep abreast of the continually advancing methods and con-

stantly changing requirements, but a number of small private mills could never do so when situated so far from the world's centres of consumption as this country is. The partial or complete nationalisation of the timber industry was a necessity arising from the peculiar circumstances of the business.

A means for greater efficiency on the part of the State mills arises from the conditions of employment. The hands engaged by the State lose practically no money through breaks in their time. The plants are constantly running. This means that the apparent wages fixed by the boards are actual wages; and in private employment often the reverse is true. The Government undertaking promises to be the most economical and effective unit of production engaged in the business in Queensland.

The Future Policy.

War conditions have impeded the Government in pushing on with its original plans, but the policy will ultimately be completed. Besides the very large mill to be erected in Southern Queensland, the intention of the Ryan Government has been to extend the enterprise to centres respectively in Central and Northern Queensland. The plan is to establish large State saw-mills in each of those districts.

The extension of the sawmilling enterprise will therefore follow on lines parallel with the extension of the day-labour system. The latter already has been extended so as to include the whole State within its organisation; and the success attained in the Central and Northern Divisions has been no less marked than that achieved in the South. So soon as circumstances admit, the State sawmilling venture will be made to follow in the footsteps of the other innovation. The two undertakings are naturally allied; and for the State to itself supply the needs of its own departments constitutes a manifestly sound business principle, apart from the many indirect advantages arising to the general community from such a policy being followed to its logical completion.

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CHAPTER 4.

CHEAPENING MEAT PRICES.

The Government has opened butchers' shops at Roma street, Fortitude Valley, Woolloongabba, Paddington, Wynnum, Gladstone road, and Teneriffe, in the metropolitan area. Three such shops were opened on 16th May, 1917, at Rockhampton, and shops have been opened at Townsville, Gympie, Maryborough, Charters Towers, Bundaberg, and Mount Morgan. The first venture of this kind was at Roma street, where the State began

business on 12th November, 1915. This was one of the first important acts towards nationalisation undertaken by the Ryan Government.

The conditions of that time were abnormal. Unusually strong reasons had arisen for drastic steps being taken towards effectively protecting the living standard of the people. Particularly did this apply to the meat trade. Within the preceding twelve months prices had nearly doubled, and they showed every sign of continuing to increase at an alarming rate.

Beef procurable shortly before August of 1914 at 6d. per lb. was sold at up to 1s. State regulation of prices had gone but a short distance towards affording protection. Every effort at restriction was met with protests from retailers and producers, who declared the Price Control Boards were threatening them with ruin. There was no means of checking the accuracy or otherwise of these claims; and between the fleeced consumers on one side and the complainers on the other, the Government was placed in a false position. Ministers knew full well that an extortionate price was being charged for a necessary article of diet; but until establishing the State shop there was no evidence with which to prove any such contention. Neither were there practical means for dragging down prices to a fair level.

Economic Justification.

The Labour Government was influenced to some degree in launching upon the venture by the special advantages offering in competing with private enterprise on the exchange and distributing side of the meat trade's organisation. Existing economic adjustments present their most faulty side in the channels of retail trade. For instance, milk costs more to distribute than to produce, and private butchers necessarily charge their customers for the loss incurred through bad debts, the cost of canvassing for orders, the waste from overlapping in delivery, the loss incurred through a superabundance of small shops, and expenses entailed in elaborate bookkeeping rendered necessary by the credit system. Any street of, say, ten houses, will be visited in each day by several bakers, several milkmen, several butchers, several grocers, and so on, many carts coming from long distances to serve a single customer, and all of them overlapping with each other in their rounds, wasting time, labour, vehicles, horse feed, and capital. The whole cost of this chaos falls on the shoulders of the consumer.

Manipulated Prices.

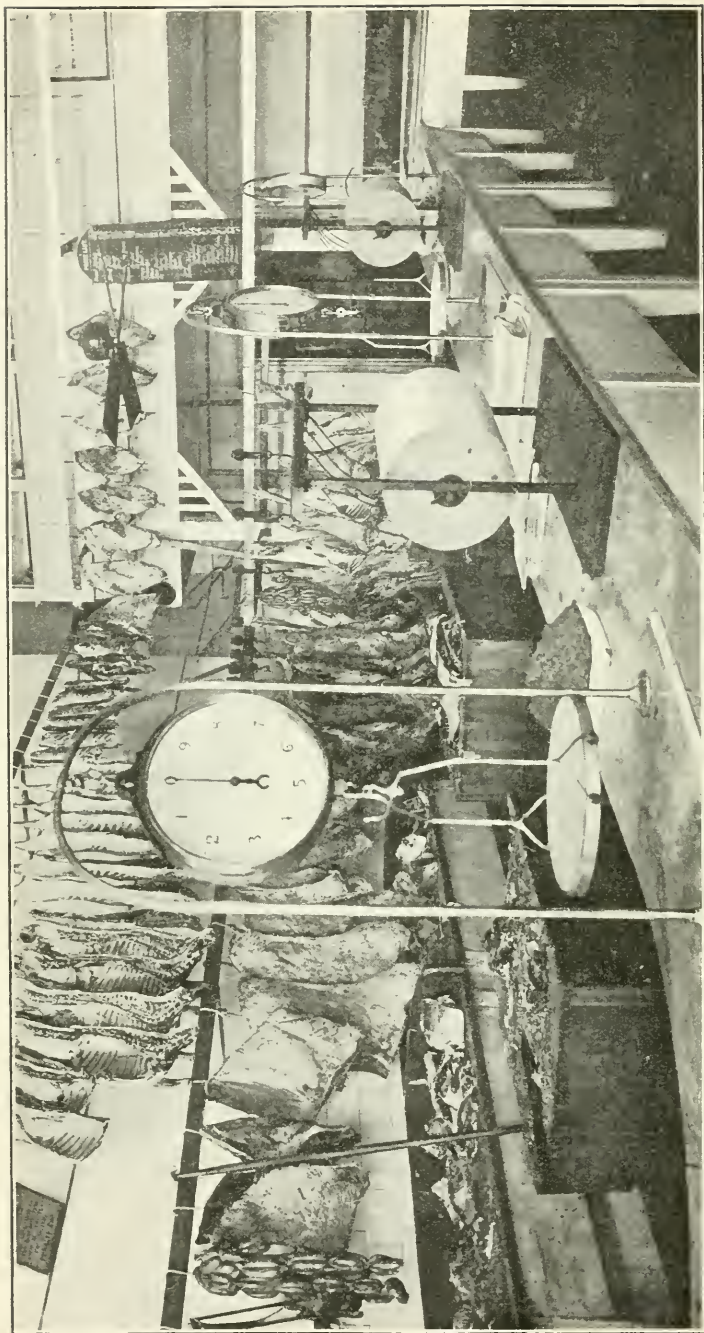
A number of circumstances co-operated in rendering the direct intervention of the Government essential in the case of the retail business of meat supplies. The distribution of all com-

modities had been profoundly influenced by the war, and every breadwinner has learned how serious and sharp have been the increases in the all-round cost of living. But meat prices began aeroplaning before the war started. Partly, the increases were justified; but mostly they were purposely created by market manipulators, behind whom was the guiding hand of the monopoly. It was true that, owing to increase of population, the United States had ceased to be a meat-exporting country and had become a meat-importing country. Also, it was true that drought had overtaken the pastoral industry of Queensland, and supplies were short. But a great many other and less apparent things were equally true, and had the Government not acted as it did the result of these latter would have been to make meat permanently rank as a luxury rarely to be placed on the tables of the poor.

That the rise of nearly 100 per cent. in prices was not economically justified has been demonstrated since by the State being able to bring them down with a run to a figure equal to what they were before, plus the difference due to legitimate causes, such as to the drought and the world's shortage. Over all the industry of the world the tendency of the last half century has been towards the concentration of control into the hands of the single individual or corporation; and the more complex and super-organic is the trade and industry of any country the more marked has this development proved. Until State action was taken, the meat market of Queensland was the victim of both unregulated chance and interests which were not competing against one another, and did not even pretend to be striving for public ends. The market manipulators were establishing an autocratic rule over the whole business.

Fall in Prices.

State operations caused a sharp and immediate fall in the price of meat. Beef, which a few months earlier had been selling at 1s. per lb., was offered by the State shop, as soon as it opened, at 7½d., and a little later at 6½d. Competition as vigorous as this exercised a potent effect on private enterprise, and the private butchers were forced to bring their prices down both by direct Governmental control and because of the rivalry of the State. Previously private prices had been decreased by State regulation, but price regulation was not so effective then as it became later. The following table shows the rates prevailing respectively in the private shops and in the State shop at Roma street on the date of the latter being opened



STATE GOVERNMENT BUTCHERS' SHOP, ROMA STREET, BRISBANE.

on 12th November, 1915. Prices prevailing on 30th May, 1917, are also shown. It will be noticed that the later State prices are much lower in most lines than the State prices of November, and consequently very much lower than the private prices of that date. As between 12th November, 1915, and May, 1917, private prices fell in sympathy with the State prices. The decrease is not fully shown even as between the private prices of November, 1915, and the State prices of May, 1917, but between various private prices of before 12th November, of which no complete authentic record is available, and the latest State scale of rates. This comparison shows a reduction, certainly, of not less than 40 per cent.

Particulars of Cut.	12TH NOVEMBER, 1915.		12TH JUNE, 1917.	
	Butchers' Association Prices.	State Prices.	Proclaimed Retail Prices.	State Prices.
	Per lb. s. d.	Per lb. s. d.	Per lb. s. d.	Per lb. s. d.
BEEF.				
Roast, Sirloin	0 9	0 7½	0 8	0 6½
Roast, Prime Rib	0 8	0 6	0 6½	0 4½
Roast, Chuck	0 7	0 5	0 5	0 3½
Steak, Fillet	1 0	0 10	0 10	0 8
Steak, Rump	0 10½	0 8½	0 9	0 7½
Steak, Beef	0 9	0 6½	0 7	0 5½
Topside	0 9	0 6½	0 7	0 5
Corned Round	0 9	0 6½	0 7	0 5½
Corned Brisket (bone in) ..	0 3½	0 3½	0 4½	0 3½
Corned Ox Tongue	0 6½	0 5½	0 6	0 6
Gravy Beef	0 9½	0 6	0 6	0 5½
Sausages	0 6½	0 5½	0 6	0 5
Mince	0 5½	0 4½	0 5	0 4
Shin Beef	0 6	0 4½	0 4½	0 4
	Each.	Each.	Each.	Each.
Ox Kidneys	0 7	0 5	0 6	0 5
Ox Kidneys, halves	0 4	..	0 5 & 0 6	0 5
Ox Tails	1 0	0 8 & 0 10 (Small & large).	..	..
Ox Hearts .. ..	..	..	Per lb.	Per lb.
Ox Cheeks .. ..	..	..	0 4	0 3
Ox Skirts .. ..	..	..	0 4	0 4

Particulars of Cut.	12TH NOVEMBER, 1915.		12TH JUNE, 1917.	
	Butchers' Association Prices.	State Prices.	Proclaimed Retail Prices	State Prices.
	Per lb. s. d.	Per lb. s. d.	Per lb. s. d.	Per lb. s. d.
MUTTON.				
	Per lb.	Per lb.	Per lb.	Per lb.
Legs	0 8	0 6½	0 7½	0 7
Shoulders	0 6	0 5	0 5½	0 5
Hindquarters	0 8	0 6½	0 6½	0 6½
Forequarters	0 6	0 4½	0 5	0 4
Loins	0 8	0 6	0 8	0 7
Breasts	0 4	0 3	0 4	0 3½
Chops	0 9	0 6½	0 8½	0 7
Cutlets	0 9	0 6½	0 8	0 6
Stewing Chops	0 7	0 6	0 6½	0 5½
Necks	0 7	0 6	..	..
	Each.	Each.	Each.	Each.
Sheep Tongues	0 2½	0 2½	0 2½	0 2½
Sheep Kidneys	0 1½	0 1	..	..
LAMB.				
	Per lb.	Per lb.	Per lb.	Per lb.
Hindquarters	0 9	0 7½	..	..
Legs	0 9	0 7½	..	..
Forequarters	0 7	0 6	..	..
Shoulders	0 7	0 6	..	..
Loins	0 9	..	..	..
Chops .. .. .	..	0 7	..	..
SUNDRIES.				
	Per lb.	Per lb.	Per lb.	Per lb.
Suet	0 8	0 7	..	..
Veal, Leg .. .. .	..	0 6	..	..
Veal, Loins .. .. .	..	0 6	..	..
Veal, Shoulders .. .. .	..	0 4½	..	..
Veal, Cutlets .. .. .	..	0 6	..	..
Veal, Hindquarters .. .. .	..	0 6	..	..
Veal, Forequarters .. .. .	..	0 5	..	..

Financial.

The Auditor-General's report shows that for the period ended 30th September, 1916—that is, slightly less than eleven months—the State butchers' shops returned a net profit to the Government of £2,564 19s. 1d. Profit was not being aimed at. The shops had been established to serve a public need, and it was intended to make them pay their way. But, even under the remarkably low price charged, the balance-sheet showed the satisfactory result quoted.

The direct gain to the consumers may be gathered from the fact that during the week in June (1917) prior to the date of writing 17,050 customers bought meat at the metropolitan shops alone; whilst a large and growing trade was also carried on at provincial centres. Before the other shops had been established the business at Roma street averaged, approximately, 2,500 purchasers per day, whilst the average takings per customer were 2s. 6 $\frac{3}{4}$ d. A moderate estimate would be that at least 25,000 customers a week are served by the State. Some of these would have been served twice within seven days, and, to be on the safe side, it may be calculated that 12,500 persons buy their meat from the Government. Each purchaser represents a family, and in an increasing population the normal family averages more than five persons, so that over 62,500 persons now are receiving direct gain from the State enterprise and are getting their meat more cheaply than it is procurable elsewhere.

The Family's Gain.

But these figures do not represent more than a fraction of the full advantage to consumers. The State is now selling at lower prices than charged by private butchers; but the private butchers are selling at prices much lower than they charged before the first State shop was established, and cheaper than they would now be selling were there no State shop in competition. The compulsory fixing of prices has done much to protect meat consumers, but had not the State shops demonstrated how cheaply meat could be sold on a purely business basis, the "fixed" prices would certainly be higher than they now are.

The State has sliced prices almost in half. The average family of five or six persons would spend hardly less than 8s. per week on meat at current prices. Were no State shops in existence, this family either would have to curtail the use of a necessary article of diet, or else would be forced to spend from 12s. to 13s. on what now costs 8s. State competition in the butchering trade is benefiting each typical family of a wage-earner by at least 4s. per week. Long and bitter strikes have wasted the substance of the community with no more than 4s. per week wages in dispute. Wearisome and expensive arbitration cases have been fought for an extra 4s. per week. And when the men have won, the employers have sometimes got more than the whole of the extra 4s. wages back by the simple process of clapping an equivalent of an extra 8s. per week wages on to the cost of the finished commodity. By entering the meat retail business, the Government has benefited the community to the extent of 4s. per week per family, and the apparent saving is real. It is not 4s. placed in one of the householder's pockets, while 8s. is being extracted from his other pocket.

Economic Considerations.

The extraordinary reduction effected by the State in the retail price of meat has been achieved partly by the abolition of extravagance and bad management generally in the retail business. The Government buys its supplies at no advantage, as compared with its private competitors. The first lot of meat used through the Roma street shop was paid for at $\frac{1}{8}$ d. per lb. above the price paid by the British Government for supplies required for Imperial purposes. This was a line of especially good quality, intended by a private company for supplying shops in Melbourne. A rent of £30 per week is paid to the Railway Department for the Roma street shop, and in no way has the Government a handicap to its gain as against competitors.

The Government's policy is not to endeavour to capture the whole of the retail meat business, but to force the private sellers, by means of legitimate competition, to treat their customers fairly.

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CHAPTER 5.

THE STATE AS STATION-OWNER.

The establishment of State-owned stations has followed as an outcome from the success of the State butchers' shops. When it was shown that the Government, by entering upon the business of meat distribution, could make a profit, as well as materially reducing prices to consumers, the arguments in favour of the State producing its own supplies gathered an added weight. As a mere retailer of beef and mutton, the State remained, to a considerable extent, in the hands of private stock-raisers; and the latter could combine to raise prices against the Government as well as against other purchasers, unless prevented either by legislation or by direct State competition. Experience both within and outside the Commonwealth, notably in America, has shown how many and serious are the difficulties standing in the way of legislative control or restriction of the combination of capitalists in restraint of trade. In direct competition lay the surest and easiest means for safeguarding the people's meat supplies. Other factors contributed to make the establishment of State-owned stations desirable and beneficial from the standpoint of the general community.

Regular Periodical Famine.

Periodically the Queensland meat market is denuded of cattle, and, to a lesser degree, of sheep; and for a number of months each year prices soar up to a scale quite unjustified by

the natural character of the country. Recent changes, consisting chiefly in the world's growing shortage of meat and America's change of position from that of a meat-exporting to a meat-importing nation, have tended to intensify this development. Unless the Queensland Government had acted boldly and correctly famine prices would have become the normal condition for considerably more than six months of every twelve.

The reason of this is plain. Primarily, stock are bred in Queensland to meet the demands of purchasers beyond our borders. Local consumption forms but a small factor in the considerations of the producer or meatworks manager. The great bulk of the annual production is exported.

Cattle reach their prime through the State within a definite and fairly short season. If bullocks are not sold during this season, they fall away in condition, and must be kept for another year before the owner can again expect to secure the maximum price. If he sells them in the intervals they will be far short of fat, and will command a proportionately lower price. Just as wheat or oats ripen at a certain time of year, so do flocks and herds intended for slaughter. But there is this difference. Grain may be cheaply stored to await the demand of the time when none of it is coming forward. But the cost of keeping meat is large. Moreover, the local market occupies but little of the consideration of the people who hold facilities for storing meat. They will incur but little risk or trouble in providing against future Queensland requirements, even when the chances of good remuneration are substantial.

The development of the meat export trade has brought millions of pounds annually into the State; and it has greatly added to the aggregate wealth of the community, though unfortunately that addition is largely concentrated into a few hands. But owing to having been controlled in the past entirely by private investors responsible to no representative authority, the development of the export trade has unnecessarily and sometimes cruelly bled the people, to whom the whole of the resources on which the industry rests rightly belongs.

Periodically, prices are forced to famine levels by adverse climatic conditions. Often drought has made meat unprocurable to the poorer people as a regular article of diet. The effects of aridity are intensified by pastoral country being divided into a great number of blocks worked quite separately from one another, the divisions between them restricting the free movement of stock from grassless and waterless places to regions in which both are available. For runs in different suitable parts of Queensland to be worked by one management with a single object in view, would be to protect the whole of the stock on those areas from occasional destruction from severe drought,

and would render possible, year in and year out, the regular production of a certain surplus of fat stock for the meat market.

If enough country were worked in this way, sufficient meat to supply all local requirements would always be available, because the spasmodic operations of the export companies would be allowed to no longer interfere with the people's food, and the effects of drought would have been intelligently coped with.

An Industry Handicapped.

From the first days of settlement down to the present time the pastoral industry has formed Queensland's most prolific source of wealth, so far as actual returns have made manifest. From no other field does enterprise bring so much money annually into the State. Yet, from the beginning, pastoral effort has been crippled by the uneconomic isolation of individual effort.

Sheep and cattle stations are managed like so many watertight compartments, disunited, and in no way sources of aid to one another. When the individual owns two or more stations, it rarely happens that he has been able to select them so that the one may carry the stock driven out by drought from the others. If the Allies' line of troops in France were divided into sections, each under separate control, and none aiding the other, so that, when a particularly ferocious attack was made on one point, reinforcements could not be brought from elsewhere, that policy would resemble the system, or rather the lack of any system whatever, underlying the conduct of the Queensland pastoral industry.

On the occasion of every visitation of abnormal climatic conditions, pastoralists in one or other part of the State feel need to control country in some other district. Let drought rage in the West, and probably grass and water will be partially wasting in the Gulf country or in the eastern coastal regions. And when grass and herbage are running to rot in the West, the chances are that conditions are not favourable to a high rate of production in territory where the rainfall is usually more plentiful. The industry suffers from inelasticity as between different districts. Full use is not being made of any district, because fear of adverse seasons prevents pastoralists stocking up sufficiently heavily to take full advantage of the good seasons.

In times of drought, the pastoralist's first consideration is to secure country outside the affected district, if he sees an opportunity of moving his stock. But the chances are that half his flocks and herds will be dead before his efforts have succeeded. He is in the position of a nation beginning to prepare for war after the enemy has commenced the invasion of the former's country.

The following losses occurred through drought in Queensland during the last two years:—

Year.	Horses.	Cattle.	Sheep.	Pigs.
1915	743,059	5,455,943	23,129,919	166,638
1917	671,884	4,591,644	15,245,508	127,212
Decrease	71,175	864,301	7,884,411	39,426

No power, short of enormous increase of population, could have eliminated all these losses; but they would have been greatly reduced were some portion of the industry guided by one intelligent, co-ordinating head, instead of drifting in the control of a great number of disunited individuals, rendering one another but little mutual aid, and sometimes unavoidably restricting each other's efforts.

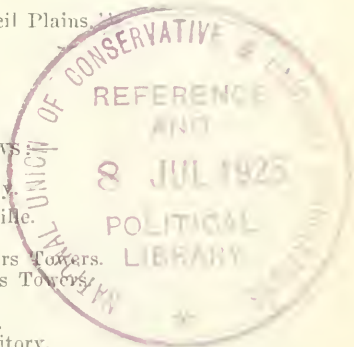
The Government's Holdings.

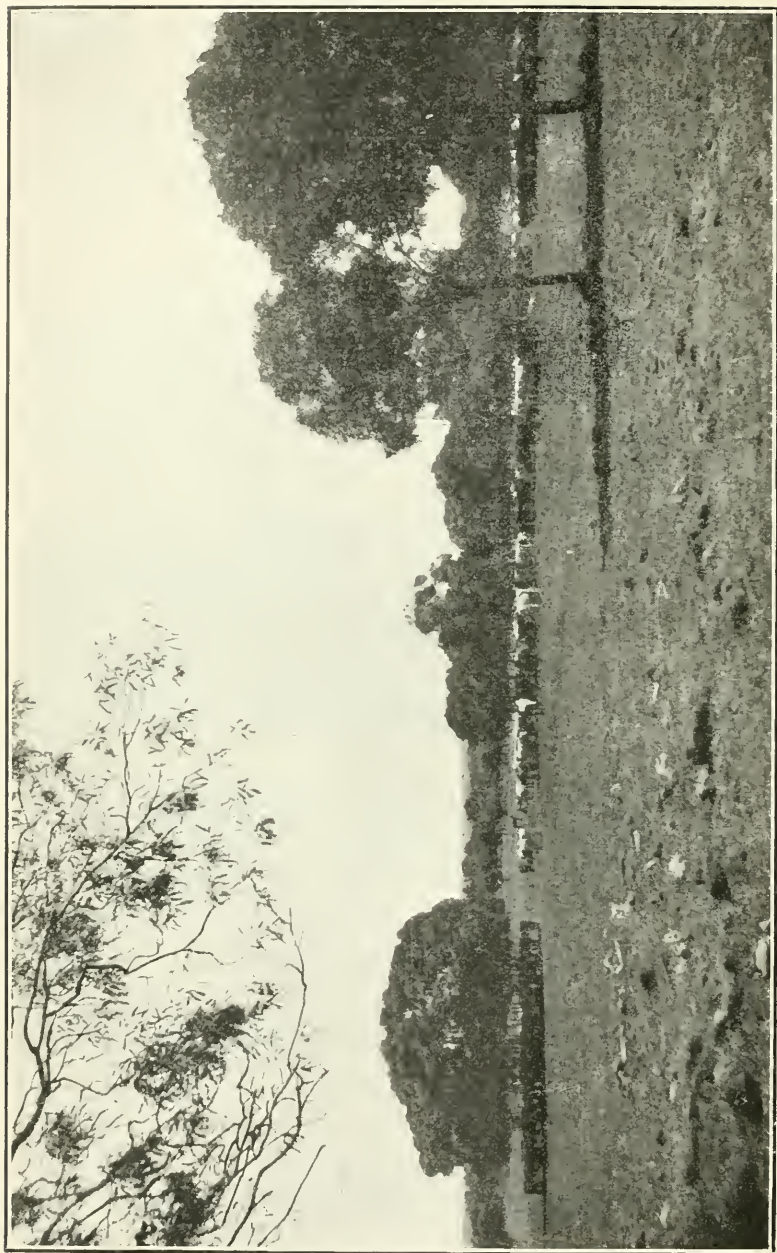
The Labour Government, since coming into office, has been steadily establishing holdings for breeding and fattening stock at carefully selected spots throughout the State. Thirteen stations already are being managed, with the primary intention of supplying the needs of the Queensland population, and with the further view to exporting the surplus to meet Imperial needs. The following table shows the salient points regarding the State's holdings:—

Number—13, not including "Cecil Plains."
 Area—13,848 square miles.
 Stock—126,033 head of cattle.
 Cost to the State—£688,461.

The individual stations are as follows

Names of Stations.	Locality.
Dillalah	40 miles from Charleville.
Mount Hutton	60 miles from Roma.
Wandovale	120 miles from Charters Towers.
Dotswood	35 miles from Charters Towers.
Brooklyn	50 miles from Cairns.
Maitland	In the Cairns District.
Silver Plains	In the Cape York territory.
York Downs	In the Cape York territory.
Merluna	In the Cape York territory.
Vanrook	90 miles from Normanton, in the Normanton-Cooktown Districts.
Stirling	Normanton-Cooktown Districts.
Dunbar	Normanton-Cooktown Districts.
Strathmore	Normanton-Cooktown Districts.





CATTLE ON MT. HUTTON STATE STATION, ROMA DISTRICT.

Dillalah, which is 40 miles from Charleville and only 4 miles from the Mangalore trucking yards, will make an excellent resting and fattening dépôt for bullocks coming from the State stations in the Normanton district. Dotswood has been established as a dépôt for bullocks coming from either the Cape York Peninsula or from the Normanton district. From Cape Downs to Dotswood is about 526 miles by road. From Normanton stock may be travelled overland or trucked at Julia Creek or other railway stations to Dotswood. The latter holding is but four days' journey for bullocks to the Townsville meatworks; whilst Wandovale bullocks reach Dotswood within 90 miles. From the Cape York stations bullocks may be sent either to Thursday Island or to the Bibohra meatworks. Cattle to fatten at Dillalah can be driven from the Gulf stations every year.

Mount Hutton, though temporarily worked as a State station, is to be cut up into smaller holdings and let on perpetual leases. At the time of writing the designers are on the ground working towards that end. A railway will be provided from Roma to Injune Creek in order to meet the needs of the settlers. The approximate distance by road between the two points is 65 miles.

The scheme actuating the Minister for Lands has been to acquire land near the termini of the three railway systems—viz., at Charleville, Longreach, and Cloncurry, and along those lines. These holdings may be used for collecting and fattening dépôts for land further out, where cattle may be bred. The plan is for the Government to control a series of stations, so selected that stock from them may be moved easily and safely from the breeding to the fattening areas, whilst every town within Queensland borders will have guaranteed to it a plentiful supply of cheap meat. The ultimate establishment of State freezing works is the obvious and inevitable outcome of the plan here outlined.

The possession of stations so selected by one management renders possible the movement of stock away from drought-stricken country to an extent not previously practicable. With the continuance of dry weather and the approach of starvation, stock may be brought, first from the back country to the holdings near railways, and finally, if necessary, from the latter to the coast or to anywhere else that suitable runs are available.

To acquire properties fitted for breeding and fattening sheep is part of the settled policy of the Labour Government. The stations so far obtained are adapted primarily to grazing cattle; but mutton, ultimately, will be produced in proportionate quantities to beef.

Cost to the State.

Expenses which will have been incurred by the Government in producing meat will be surprisingly small. In no instance has freehold land had to be resumed. The total purchase price

is £688,461; and stock owned by the Government on the various runs at the time of writing (8th July) is 108,479 cattle and 2,994 sheep. At the most, the Government has paid for a few unexpired years of a lease, and for a pastoralist's right to select, for his own use, 21,000 acres from a resumed area. This was at Mount Hutton. The principal capital outlay has been and will be in the purchase of stock; and the biggest item to be set on the debit side of each year's balance-sheet will be the interest on the outlay represented in flocks and herds. But, obviously, this source of expenditure can be kept at a very low figure indeed if the Government chooses to develop slowly by breeding up its own flocks and herds, and acquiring any stations it may need only as surplus stock are coming forward to occupy them. But that method would have required a considerable number of years for completion. So real was the public need for the State to enter the stock-producing industry that the advantages in the Government buying the stock for the new stations were too substantial to be ignored, and this condition doubtless will prevail for some years to come.

The working expenses of running either a cattle or sheep station are very small. Always the main outgoing of the pastoralist is represented by rent, interest on a mortgage, or what he reckons as fair interest on the capital invested in his land, together with interest on the capital value of his stock. On a sheep station not 20 per cent. of the total revenue is absorbed in wages and other working expenses; whilst on a cattle station the working expenses bill amounts to less than 5 per cent of the total.

Once the Government is fairly started in the business, this very small charge for working expenses will represent all the real outgoing, from year to year, incurred in the enterprise. The account may be debited with large sums for interest on money represented in the capital value of the stock and on the value of the land, but these charges will amount to no more than interesting book entries, because the land will have been acquired for nothing, whilst the cattle, to a very large extent, will have been bred by the Government itself.

Already, by means of butchers' shops, the Government has reduced the retail price of meat in Brisbane by something in the neighbourhood of 40 per cent., thereby saving the typical family of an ordinary wage-earner the difference between 12s. and 8s. per week. But what the State, by a well-directed policy of competition with private enterprise, has been able to achieve in reduction on the charge to the public for distribution is insignificant as compared with the possibilities for reduction by similar competition in the business of production. The real and legitimate costs of meat production in Queensland are so small,

to the owner of land and stock, that meat may easily be made the most readily procurable and cheapest article of diet obtainable, whereas it now is probably the dearest. And under State control this cheapness will last throughout the year, and in all years.

Direct National Benefits.

The policy now being opened up in this business by the Queensland Labour Government holds out direct benefit of a far-reaching kind to the other States as well as to this. It promises—

(1) To protect Queensland consumers from exploitation at the hands of the exporters.

(2) To give similar safety to consumers in other States, for they are dependent largely on Queensland for meat supplies, and when shippers have denuded this State of cattle, leaving none likely to be ready for the butcher for another twelve months, the price has been greatly raised throughout all Australia.

(3) To increase the stability of the export trade by making supplies more regular, which may be effected by fighting drought through the unified and systematic control of numerous scattered stations. (Though the Government has not committed itself to promises of entering the export trade, the steps now being taken happen to lay the foundation of such a policy being embarked on at any future date when a Government deems it advisable to do so); and

(4) To increase the stock-carrying capacity of the land included within the sphere of the State's enterprise, and therefore the remunerativeness of the business—an end which may be reached by including within the operation of one managing head country on which weather fluctuations, differences of soil, and other natural variations, may balance one another.

The most immediate end being aimed at by the Government is the protection of the consumers throughout the whole State from raids the exporters make upon supplies, at the season when supplies are most cheaply made fit for export. That meat should be practically unprocurable locally during the season when export is not going on does not trouble the exporter at all. He is in the business to meet the requirements of the overseas buyer; and the overseas market is so large that no appreciable difference is made to it by the whole Queensland year's supply being poured in during a few months.

The individual pastoralist would find greatest profit in refraining from selling to the exporter and holding his stock till the exporter had denuded the local market, if he could fatten his cattle as easily and as cheaply at one time of the year as at

another. But that is just what he is not able to do. When meat was cheap on the world's market and very cheap in Australia, as was the case up to 1914, pastoralists were glad to get rid of their surplus stock whenever a fair chance offered itself. But now the export trade holds out such opportunities that the whole industry, as manipulated by private enterprise, is fast organising itself on to such lines that all the year's surplus comes forward automatically, except in cases of drought, in annual crops, each crop covering a few months. The Government intends distributing supplies throughout the whole year, and having fat stock always coming forward fit for slaughtering—an object clearly attainable by the method of selecting and working stations on the plans indicated in the foregoing remarks.

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CHAPTER 6.

CONTROLLING THE FISH INDUSTRY.

For many years the fishing industry of the various Australian States readily lent itself to the harmful influences of combination in restraint of trade. In Sydney the authorities spent some £350,000 in an effort which, for the first few years, proved quite futile to liberate the trade from trust manipulation. For a long while the capitalistic organisation proved too strong to be vanquished by the representatives of the people. In Port Phillip great quantities of fish frequently were thrown into the water after being caught, for the object of maintaining at a high level the price of this article of diet.

Wasteful Organisation.

Unfortunately, the conditions prevailing at Brisbane have proved no exception to the rule obtaining in sister cities.

During 1916, under the conditions ruling, no less than 82 tons of fish were condemned at the market through lack of facilities of distribution, and selling operations being confined to a few speculators. Under the scheme of distribution projected by the Government, the bulk of the quantity condemned would have been available to the public at reasonable rates, and the wastage obviated. It is known that in the past supplies have been destroyed, after being caught, by being dumped into the sea, the object being to avoid glutting the market already fully supplied for the limited demand under faulty means of distribution, and with the lack of cold storage. At the same time the majority of the people and the public hospitals were unable to purchase any considerable quantities of this most valuable of invalid foods. If any proof of market control were needed, this fact

supplied it, for disconnected individuals would not throw away supplies after having incurred the expense of obtaining them. On the contrary, in spite of falling prices, the fish would have been all rushed into auction, the owner of each consignment determined to secure as much as he could, even though the costs already incurred were not covered. How many fish actually were destroyed no one can say. Almost certainly the 82 tons condemned represented but a fraction of the whole loss. The plain fact has been that supplies have been sufficiently plentiful at certain seasons of the year to allow cheap fish being obtained if prices had depended solely on laws of supply and demand, and if the organisation for distribution had been economical and effective. But certain market manipulators have been able to cut the channel of the trade at a point between the fisherman and the consumer in such a way that neither may take full advantage of the resources of the other. At times when fish have been abundantly plentiful, the community has been debarred from obtaining them except at prices which would be justified only if the commodity were scarce and costly. Poverty and inability to secure good food in sufficient quantities have co-existed with the wilful destruction of the best of food. It was high time the Government took a hand in the matter.

But causes of fish being dear to the consumer do not end with manipulations of the wholesale market. In certain times of plentiful supplies, wholesale prices sink low, but retail prices do not reflect the drop in any adequate manner. When mullet sell by auction at 1d. each, the householder is often charged from 9d. to 1s. for the same article. This is partly the result of combination, but largely it arises from faulty organisation, or, to speak more accurately, from the absence of any organisation, in the distribution of supplies. In chapters of this publication dealing with the supply of other commodities, attention has been drawn to the extraordinary wastefulness of the retail business of the community generally. Examples may be multiplied almost indefinitely, for distribution and retailing form what probably is the weakest point in the economic structure of modern society. This principle is more than ordinarily conspicuous in the fish industry of Queensland.

Supplies vary greatly in quantity in different seasons of the year. No organised effort is made to use the facilities provided by cold storage for absorbing supplies during the glut period so as to cheapen prices when scarcity prevails. It is true a few dealers do store fish in this manner, but only those financially strong can attempt such an enterprise, and the limited number of the latter makes for combination and price-rigging. Thus the dealer, rather than the consumer, benefits from the surplus fish having been kept from the plentiful season.

The State's Action.

The State Government has entered the fish business with a view to ending these evils. The objects aimed at are several.

(1) The State desires to provide cheap fish for the whole population of Queensland by abolishing the profits of unnecessary middlemen, and by perfecting the channels of trade as between the catcher and the consumer.

(2) The State desires to expand the fish-catching industry by so stimulating consumption and breaking down barriers as between producer and consumer that the fisherman will be able to rely upon always obtaining a remunerative price for his catch, which he cannot do now.

(3) The State aims at still further expanding the industry by curing, smoking, and canning fish, so that the article, besides being rendered procurable in the least accessible parts of this widespread State, also may form a suitable article for export to other States and countries, just as the New Zealand smoked fish industry has expanded into a source of large earnings from overseas customers.

The policy launched on by the Government has been authorised by a special Act of Parliament, which came into operation by proclamation on 2nd April, 1917. Already a receiving depôt, in the shape of cold-storage facilities, has been established and is in operation at Wynnum, where the Department is already curing fish by smoking, and retailing them through various storekeepers scattered throughout the State. The retail price to the consumer for this article of food is 8d. per lb., against up to as high as 1s. 3d. charged for the imported article, which certainly is in no way superior.

The functions previously attaching to the old Fish Board have been transferred to a manager acting for the State, Mr. Gilmour being the gentleman appointed to the office.

At the time of writing, supplies coming to the metropolis from the Wynnum receiving depôt, as well as from Southport and other centres, are sold by auction as was the custom prior to the present legislation coming into force. But this method is only temporary. A large depôt is in course of erection at South Brisbane, adjacent to Victoria Bridge. The intention is that, when this building has reached completion, the State should purchase all the fish caught in Moreton Bay and its neighbourhood at a fixed scale of prices. These prices will, from time to time, be revised and altered when alteration is called for by changing circumstances. Fishermen will, therefore, know precisely what returns to expect for their supplies. Based on these rates, considered in conjunction with working expenses, a scale of prices will be framed for charging to retail and wholesale buyers.

Portion of the South Brisbane depôt, facing Victoria Place, will be set aside to serve the purposes of a shop. Here the requirements of retail buyers will be met. In another portion of the building, hawkers and shopkeepers will obtain the supplies they need. Arrangements will be made for facilitating the suburban distribution. A likely method to be adopted for achieving the last-mentioned end lies in the establishment of subsidiary depôts at central points. At each of these hawkers would be able to obtain supplies at fixed wholesale rates, whilst householders who chose to go or send for what they need could save money by purchasing direct at the fixed retail rates. All fish will be cleaned and gutted. It is reasonable to assume that the consumption of fish would be greatly stimulated by—

(1) The price of fish being substantially decreased;

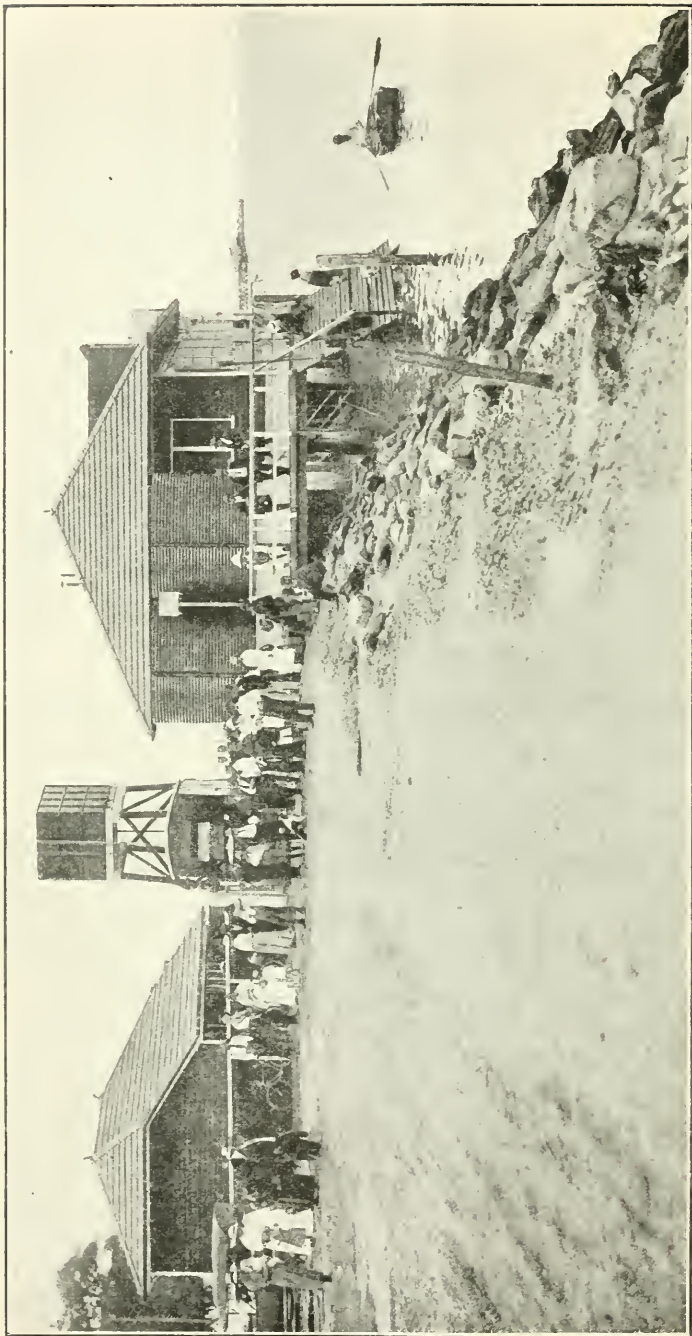
(2) Supplies being made more conveniently accessible to householders; and

(3) Fish being sold in a form which, besides possessing superior keeping qualities, are in a form which necessitates a minimum of work to the housewife.

Regulating Supplies.

An important function to be performed by the State in this enterprise lies in keeping prices at something approaching an even level throughout the year. The means to this end lie through cold storage. At those times when, under the old regime, people conducting the business were in the habit of dumping tons of supplies into Moreton Bay, the State will fill the cool chambers with fish, which will pass into consumption at the periods of small production. This will not be aimed at profit-making. The intention is to provide the community with fish at a price based on fair, legitimate returns to the fisherman at the times when fish are plentiful, plus the cost of storage.

Further stability will be afforded to the market by the curing and canning of fish during glut periods. Besides absorbing portion of the surplus supplies, this will bring the article within reach of remote settlements at prices which the ordinary wage-earning householder can easily afford to pay. Moderate rates will be rendered possible because (1) the Government will not be seeking to more than pay expenses and interest on capital outlay, and (2) the Government, conducting operations on a much larger scale than has been attempted hitherto, or would be attempted by private enterprise, will be able to work more economically than private enterprise could.



STATE GOVERNMENT FISH DEPÔT, WYNNUM.

Expanding the Industry.

Hitherto the annual catch of fish coming into the Brisbane market has varied between 1,400 and 1,500 tons. The improved facilities for sale, storing, and distribution resulting from the new Act, doubtlessly will substantially increase this production, and an extended field for employment will follow.

The industry will offer means for employment to returned soldiers: and at a later date the Government will assist those desiring to enter upon this sphere of activity, as well as those at present engaged in the industry.

Recent legislation provides for more efficient control of the industry in all its bearings, supervision of the product after it passes into the hands of a hawker or private shopkeeper being tightened up. This should encourage consumption. Regulations will be framed to provide for cleanliness in handling the article, and in regard to vehicles, baskets, and the clothes of those working among the fish. Some such provision has been badly needed in the past.

Careful inquiries into the matter of supplies have been initiated by the Government, with a view to establishing these various means for steadying prices and disposing of the surplus of the glut seasons. However, the quantities coming forward ultimately will be largely influenced by the improved conditions for fishermen resulting from the Government control. To all practical purposes the resources of Queensland waters are inexhaustible, the volume of the commodity passing into consumption depending entirely on the number of people whom the business has attracted. As rates of payment to the fisherman will be equitable—taking the average for the year—and fixed, so that he knows what to expect for his catch, an increasing quantity of men may be reasonably expected to seek a living in this sphere of activity.

Later on the Government will instal a plant for handling all fish offal. The bye-products to be obtained are oil and fertiliser, both of which now are wasted.

The policy of the Government should serve to build up a new trade in Moreton Bay. Instead of fishing providing a precarious living for a small number of men, a trade in preserved and canned fish should open up a substantial and rapidly growing field of activity. Practically the whole catch will pass through the hands of the State Department, which will adjust the channels of exchange in such a manner that most of the price paid for fresh fish by consumers will find its way into the pocket of the fisherman, instead of but a small fraction of it, as is the case when unnecessary middlemen are allowed to intercept the product in its passage from the one to the other. In preserving and can-

ning fish for consumption in remote parts of the State, and outside the State's borders, the management will not aim at profit, but at building up an important public asset at the same time as supplying cheap food to the people. Thus the fisherman will be well paid on a stable and known scale of prices, whilst the consumer will be charged no more than the cost of the raw material, plus the cost of the work of preparation to which it must be subject in order to give it the needed keeping qualities.

The enterprise promises to constitute a success no less marked than that already established by the State butchers' shops. But in the case of fish, exploitation of the consuming public, being on a somewhat smaller scale than was the case with meat supplies, had been less conspicuous, and therefore probably has been carried further. Hence the probability of effecting savings to the public should be even greater in the case of the more lately applied form of State enterprise.



CHAPTER 7.

THE STATE'S MINING VENTURES.

The control of the public administration of Queensland by the Labour party has been followed by preparation for a vigorous policy of mining enterprise by the Government. In its capacity as the largest consumer of coal in the State, the Administration resolved on initiating the policy of supplying its own needs. This, it is contended, will not only save to the public exchequer the amounts which previously represented the profits made by private mineowners in supplying the public requirements, but will also achieve a further saving through increased efficiency and organisation, planned to better meet particular requirements.

In entering into the business, the State will base its operations on a large scale, which, in itself, must make for both efficiency and economy. Also, in the matter of coal, supplies will be drawn from localities which, from selection of position, will tend all in the direction of minimising cost of transport and handling. By chartering the steamship "Allinga" the State has been able to save sea freight on coal for the northern lines at the rate of £12,775 per annum. The establishment of mines in the North will abolish the need of this coastal transport, and the consequent economy will amount to greatly more than a further £12,775. But the activities of the Mines Department under the present Administration are by no means confined to giving the State independence in regard to coal supplies. The production of petroleum has been made a State monopoly, and boring operations in search of oil are being vigorously pursued;

whilst the manufacture of coke, and the production of pig iron, with the subsequent view to establishing State steel works, are all occupying energetic investigations. The policy of the Government throughout is—

- (1) To supply its own needs;
- (2) To develop valuable natural resources which private enterprise, because of lack of capital, or other reasons, has hitherto neglected; and
- (3) To push forward the output of metals urgently needed by the Imperial Government.

State Coal Mines.

The State aims at producing coal at points most suitable to supplying, respectively, the needs of the Southern, the Central, and the Northern railway systems. A further outcome of the culmination of this scheme will be to secure the stability of the more remote industries which depend on considerable supplies of fuel, such as the far northern mining and smelting operations.

In the south, the Government some time ago purchased a mine at Warra, to the west of Dalby. When taken over by the State, this mine was in but a partially developed condition, and the management has had to sink some hundreds of feet further. The output will be large, and the needs of the south-western railways will be served more economically than could have been done from any other mine now producing. The property was acquired on 23rd December, 1915, for a sum of £4,000. Previous to that date the Commissioner for Railways had reported that a result of purchasing the property would be a saving in proposed capital expenditure at Chinchilla of probably £19,818, together with a saving of £28,000 in the release of eight engines, these two sums representing an interest charge of £1,912 per annum. A further resultant saving would be £469 per annum in wages. The Commissioner calculated that a reduction in capital outlay of £47,818, as well as a saving of £2,381 per annum in revenue expenditure would be effected through coaling from the main line at Warra. The Department's demands there amounted to 500 tons of coal per week, and the Commissioner suggested that the State should take over the Warra mine, together with its coal-bearing area. Before the purchase, the previous owners of the property had supplied 3,487 tons of coal to the Railway Department with most satisfactory results. The Chief Inspector of Mines valued the mine, together with the machinery which was included in the sale for the £4,000, as being worth £4,348. Some coal has already been turned out by the State at Warra; but the mine must be further developed before the results of the venture may be said to have made themselves apparent. In addition to Warra, the State owns the underground rights to

some thousand acres of a racecourse at Ipswich. To work the latter to the greatest advantage, some private properties may have to be acquired; but the advantages the Government would secure in turning out its own fuel at that important industrial centre are manifest, for, besides being an important railway centre, Ipswich holds the Railway Department's workshops, where large quantities of fuel are consumed daily. With mines at Warra and Ipswich, the State could, in the most economical possible way, supply all the fuel needs of its southern railways and all its southern undertakings. Steps have not yet been taken towards developing the State's Ipswich coal resources, but the policy of the Government is to establish and open up sources for supplying its own needs at whatever points are shown to be most suitable. None is more so than is Ipswich.

In the Central District the State has extensive coalfields at Dunstan, in the Dawson Valley. Arrangements have been entered into with the Mount Morgan Company, under which the latter will test the quality of this coal and bring machinery to work it from the Dawson mines. Already it is known that the Dunstan coal is of such a nature that it may be used for smelting purposes when mixed with coke. This results in considerable economy in the process of smelting, and as the Government, in the future, will be smelting its own iron, the feature is of high importance. A large area of land has been reserved in this locality for State coal-mining purposes. The situation is altogether favourable to supplying the needs of the Central railway system.

The Northern railways will be supplied with fuel from State mines at Bowen. A railway is now being constructed to this field, and, when it is completed, the State mine will be worked there. This area is at convenient distance from smelting works, and the railway to it will link up with Townsville. A result will be the manufacture of coke, which will be transported by railway to the smelters at Cloncurry, thereby saving the companies steamship freight from Ipswich, or some other remote point of production, to a northern port. The revenue received by the Railway Department for transporting the coke from Bowen to the mines and works of the interior will be substantial. The smelters at Cloncurry will absorb at least 50,000 tons of coke per annum.

Developing Iron Resources.

The Cabinet has demonstrated a determination to develop the undoubtedly prolific iron resources of Queensland; and on 8th June, 1917, a Public Works Commission was appointed for the purpose of making a full inquiry as to the location, quantities, and suitability of iron ore deposits, fuel supplies, the most suitable site for the erection of iron and steel works, and matters

incidental to those questions. The Commission, which consists of Messrs. W. N. Gillies (chairman), J. T. Gilday, J. Lareombe, J. Payne, and J. Stopford, Ms.L.A., with Mr. J. T. H. Bird as secretary, among other places will visit Mt. Luey and Kangaroo Island.

That Queensland possesses many iron deposits of high quality has already been demonstrated, and experiments carried out under the direction of the Mines Department have resulted in the production of specimens of pig iron, which has passed through a single process, and which from its texture and general appearance conveys the impression of having reached a far more advanced stage of manufacture. The Department has ascertained that pig iron can be produced locally at a cost of some £4 per ton, whilst the market price of the commodity at the time of writing (11th June, 1917) ranges from £11 to £12 per ton. Furnaces for the production of pig iron could be erected for as little as £5,000, though, of course, the erection and working of steel works would constitute a much more formidable undertaking. However, the latter, as a State enterprise, would be practically certain to follow the output by the State of raw iron. The prospects of the venture may be gauged to some extent by the fact that, whereas in Scotland and Spain ore yielding only 15 per cent. of metal is successfully mined, the Queensland deposits return from 60 to 90 per cent. of iron.

The importance to the State of the development of coal can hardly be exaggerated. These commodities form a foundation to any extensive manufacturing interests, and it has been their prolific supply on which the commercial and industrial greatness of the midland and northern counties of England has rested. The Queensland State Government requires considerable quantities of iron and steel for use in railway workshops and for other purposes. The Government, enabling the money spent on these classes of material to be kept within the State and whatever profit accrues from producing them to find its way to the public Treasury, will confer a benefit of far-reaching consequences upon the whole community. The subsequent substantial development of many important national industries must follow as a natural consequence.

Petroleum Bores.

That Queensland contains considerable natural supplies of petroleum is certain. This was proved some years ago at Roma, when a bore tapped a large deep-seated deposit of gas. American experience has proved that gas is a product of the oil. Unfortunately, the gas which came gushing up through the bore caught alight, blazing at a furious rate for many weeks, completely lighting up the town at night. So powerful was the current

that every effort to extinguish the flame proved abortive, and an expert had to be procured from America to put the fire out. Similar experiences had not been uncommon in the United States, and he speedily succeeded in his task. Unfortunately, the bore was destroyed. But the discovery yielded unmistakable evidences of the proximity of oil.

The Government has put down a second bore in the neighbourhood. This has now reached a depth of some 2,500 feet; but the expert in charge of the enterprise calculates that a further 2,000 feet must be bored before the supplies are reached. Possibly the oil supplies may not be at the exact locality of the gas, or where boring is proceeding. That is one of the risks of prospecting for oil. But the liquid fuel certainly is in the district, either in a narrow crevice, as in parts of the United States and Mexico, where one such deposit may supply four or five wells, or as a great subterranean pool covering some 200 square miles, as in Ohio, and providing resources for upwards of a thousand wells. These things have to be proved; but that the deposit will be worth hundreds of thousands of pounds per annum when located there is good reason for expecting. As the prospecting is in the hands of the State, lack of capital will not impede the search for this valuable national asset, which provides the key to economy in so many industrial processes.

The lessons learned from the history of the American Oil Trust, and the pernicious influence played by that illicit combination in the economic life of the United States, has borne its fruits in Queensland legislation; and the Ryan Government has passed legislation making a State monopoly of the State's oil resources. This will ultimately be followed by such provisions as will encourage private prospecting for oil. Indications tend to show the presence of deposits in parts of Queensland far from Roma; and, naturally, the State, though more likely to carry any particular test to an exhaustive conclusion than private enterprise would, nevertheless can prospect in but a limited number of spots at one time. It would not be safe to set out to test any particular spot without having at least £10,000 available for the purpose. Thus, considerable inducement is necessary to tempt the expenditure of private funds upon such an undertaking. This phase of the matter will be dealt with in the near future.

Private Opposition.

The opposition with which the Mines Department has been met from private interests in its efforts to aid companies which were in difficulties, as well as to supply its own needs, provides one of the clearest justifications for the policy of securing independence from outsiders in supplying fuel and material. Fortunately, it resulted in the Government becoming self-contained

in this important sphere of industry, the threatened paralysis of the Cloncurry smelting works and mining, through the failure of private enterprise to render fuel available, leading to the State establishing its own means of production, manufacture, and transport, at a clear saving, on freight alone, of £12,750 per annum to the Railway Department. The public benefits arising out of the chartering by the Government of the s.s. "Allinga," for the purpose of meeting northern mining needs, are dealt with in the following chapter. In addition to other gains accruing from that venture, the Mines Department instituted tests which showed that coke made from Ipswich coal was superior to that from the Newcastle material, which previously had been regarded as of higher quality for the particular requirements of smelting than any which could be procured from Queensland sources. As a further result the State will shortly be itself making coke at Bowen, and the industry is being firmly established at Ipswich, at present by private enterprise, but with a view to the State, at a later date, taking a hand in the business.

The results of the policy being pursued by the Mines Department will reach further than at first glance becomes apparent. The arrangements leading to the production of coal and coke at suitable centres in each of the three divisions of the State must make for increased economy and efficiency, not only in smelting works and in mining generally, as well as in railway management, but in every industry requiring considerable quantities of this class of fuel. The development by the State of the rich iron deposits will follow as a natural consequence. The Government is building for the future on national plans. The Mines Department of Queensland to-day is doing really big things towards making the Commonwealth self-contained in the production of classes of material essential to large groups of other important industries, and towards placing Queensland in the position of being the Australian State containing the greatest diversity of developed resources and the greatest variety of avenues of employment.

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CHAPTER 8.

THE STATE AS SHIPOWNER.

The Government was forced to enter the coastal carrying trade by exigencies of the mining industry caused by abnormal conditions rising indirectly from the war. The industry of Cloncurry was threatened with destruction; and had the Cabinet not acted boldly and correctly, some thousands of people would have been deprived of their means of subsistence for an indefinite period of time, and would have found themselves stranded in a

remote corner of the continent, many of them without means of reaching other districts where lay their only chances of obtaining employment. Nor did the difficulties of the situation end with this set of public dangers. The particular source of national wealth threatened with extinction embraced the production of copper, a mineral then, as now, urgently required by the Imperial authorities for military purposes.

The interests at stake were too large and far-reaching in their ramifications to be left to settle themselves. Nor, indeed, was there evidence of the probability of anything being settled, except the Northern mining and smelting industries. The stoppage of work at the Cloncurry field was threatened because of the complete inability of the owners of mines and smelters to obtain sufficient supplies of coke. No regular quantities of the fuel could be secured, and if any were purchased, those who bought it stood faced with a scarcity of ships to carry it. The shipowners were unable or unwilling to meet their needs. Calamity stood facing the whole of the population of one of Queensland's most important industrial centres; whilst appearances indicated that, unless preventative steps were promptly taken, the Government would be faced with the task of bringing some thousands of people from one end of Queensland to the other and then finding them work. This was an alarming outlook for an Administration already grappling with a whole cluster of difficulties created by international dislocation, the wastage of war, and the aftermath of severe drought. Action was imperative. The only phase of the matter open to dispute lay in deciding what sort of governmental interference ought to be adopted. The Government did act; and sufficient time has since passed to reveal the result of the application of the policy then resolved upon.

Threatened Industrial Paralysis.

Some time ago the Mount Elliott Company, which holds large mining interests, spent a considerable sum of money on improved smelting works. This plant was to have started work about May of 1917, but a difficulty arose in procuring coke for smelting purposes. Coke was not turned out in any considerable quantity within Queensland, and Southern supplies could not be obtained. Similarly, the smelting works at Mount Cuthbert were likely to be compulsorily closed because of lack of the same fuel. The whole of the Cloncurry industry was threatened with paralysis. That meant the shutting down of still further mines. With sufficient supplies of coke, Mount Cuthbert was calculated to turn out some 300 tons of copper per month, while the probable monthly output of Mount Elliott was 700 tons. This was but part of the production which was threatened. This metal is all needed by the military authorities as a vital need in

the manufacture of munitions. Once again, Private Enterprise had failed to even attempt grappling with a pressing national emergency. A parallel experience had accrued in the United Kingdom, where the land transport trade and most of the essential industrial functions of the nation had to be taken under the direct control of the Imperial Parliament. The exhaustive test of war had shown chaotic inefficiency to result from the unco-ordinated efforts of detached private managers each working for individual profit rather than for public service. Similarly, in Queensland, the representatives of capitalists and investors had failed to meet the needs of abnormal circumstances at a time when the country could not afford to waste an ounce of energy or a pound's worth of resources.

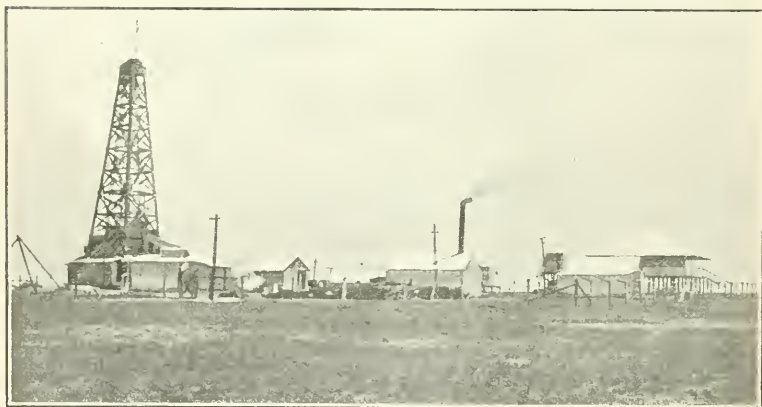
Overcoming Difficulties.

Such were the conditions obtaining when the Queensland Minister for Mines, Mr. Alf. J. Jones, visited New South Wales in an endeavour to arrange for a regular supply of coke in order that the wheels of the Northern industry might be kept running. But here he was met with fresh difficulties, for the colliery-owners of the mother State believed that suitable coke could not be manufactured from Queensland coal, and they consequently demanded prices which were unjustifiably high. At the same time, these people were exporting large quantities of the same kind of fuel to America.

Baffled in this endeavour, the Minister attempted to secure the needed commodity within his own State. Tests were carried out, and these proved that the Queensland coke was actually superior, for the needed purpose of smelting, to the Southern article. Then a fresh set of obstacles arose. The shipowners pointblank refused to carry the coke, and, simultaneously, they advanced a demand for an increase of 2s. 6d. per ton on the freight charged on coal they were in the habit of taking for use on the Northern railway system. This development threatened to prove fatal to the Government's efforts. Hitherto coke had been manufactured in Queensland on but an insignificant scale. Unless regular and reliable transport facilities for reaching the people desiring to purchase the fuel could be guaranteed, the State could not expect to induce local colliery-owners to engage upon the enterprise, nor could the Government safely face the undertaking itself. Moreover, doubt and irregularity attaching to the supplies meant death to smelting, and consequently to mining, operations. Much money and time is spent on heating up smelting furnaces, and no manager of such works could be expected to begin operations unless he was reasonably sure of being able to continue operations. Then the Government stepped into the business. The need for the Government



GOVERNMENT STEAMER "ALLINGA" (LEADING).



ROMA OIL BORE.

to both secure coke supplies and to control completely the whole of adequate transport facilities became abundantly apparent. Something had to be done, and by no other course could the position be saved.

Achieving National Independence.

The steamship "Allinga" was obtained from the Adelaide Steamship Company, and she was chartered for the purpose required. She is a vessel of 2,240 tons gross and 1,406 tons net weight, and is capable of carrying 2,500 tons dead weight, including bunkers. The State then entered into a contract with the Northern mining people to supply them with 1,500 tons of coke each month. Having settled the transport difficulty, the rest became comparatively plain sailing. Arrangements were entered into whereby owners of Ipswich collieries will turn out portion of the needed fuel. The Government also has laid out a certain expenditure on ovens in which coke may be produced. Ultimately the State will mine its own coal, manufacture its own coke, carry the latter product by its own steamer to a Northern port, and, finally, transport it to the interior by its own railway. In no other way, in these stormy times, could stability be secured to the copper-mining industry in such remote localities as Cloncurry. As the result of what the Government had done, arrangements at once were made to begin operations in the smelters at Mount Elliott, and also in the mines, where they had been at a standstill, so far as turning out ore was concerned.

The direct effect of the Government intervention has been that employment is assured for between 500 and 600 men at Mount Elliott and between 150 and 250 men at Mount Cuthbert. Other mines and smelters are in the same position. These men, besides their natural dependents, give employment to store-keepers, boarding-house keepers, and all the varied populations of townships. The population of the Cloncurry Shire alone is approximately 3,000. Certainly some thousands of Queenslanders have been saved from destitution by the intervention of the State.

Private Enterprise had failed to supply an adequate or regular steamship service, apparently because more money could be earned by the boats on some other part of the Australian coast. One industry was being strangled because it had depended for necessary supplies on the people who were controlling another industry. Thus was divided control bringing private and public disaster. Not only were the means of subsistence of the manual workers threatened, but hundreds of thousands sterling of invested capital was involved, and the supply of substantial quantities of an essential war material was likely to be cut off from Great Britain at a time when her generals and statesmen were crying out for every available ton of it.

The Birth of an Industry.

But the useful results of this particular application of State Socialism have not ended with saving the Northern mining and smelting enterprises. What is practically a new industry for Queensland has sprung into being as the direct outcome of what the Government has done. Hitherto all the coke used in the North has come from Newcastle and Mount Kembla, in New South Wales. Coke might have been produced in this State just as well as in the South, but the people who could have engaged in the business were nervous about doing so, because there was uncertainty of reaching the people who desired to buy the product. The buyers had been threatened with commercial extinction because of not being able to obtain supplies; but in future the supplies will be never-failing, and the money spent on coke will be retained in the State.

The "Allinga," as a State-managed ship, has made only a few trips to the North, but for some weeks works have been proceeding for the production of coke on a large scale at Ipswich. The small quantities hitherto turned out in Queensland have not constituted a business of any public importance. Henceforth all the State's needs will be supplied locally. This means that not only will a large number of men be employed in the manufacturing process, but an increased output of coal will be entailed.

Saving the Taxpayer's Pocket.

Carrying coke does not nearly absorb the full capabilities of the "Allinga." In addition to that work, she carries from 2,000 to 2,500 tons of coal for railway purposes each month to Cairns. She also carries North any rolling-stock which the Railway Department may desire to send there from the South. The department, for this service, is charged 10 per cent. less than the freights fixed by the Shipping Combine. Already the State ship is saving the Railway Department at the rate of £12,775 per annum in freight on coal alone. Actually, the saving will probably be more than that, because the ship is taking North coke which otherwise would not get there, and which must then be taken west, thus providing revenue to the Railway Department. Also, whatever profit accrues from the running of the "Allinga" will fall into the State Treasury. Back cargo is carried by the State steamer for the general public at prices which are identical to those fixed by the Combine. The State is not yet ready to enter into open competition in ordinary trade with Private Enterprise. Nor was the "Allinga" bought for that purpose. She was acquired in order to protect important

national and Imperial interests, and this end she has already achieved. The results of the enterprise have been as follows:—

1. Several large smelting works and a number of mines are able to work, whereas they otherwise would be idle.
2. The means of subsistence of some thousands of people have been preserved.
3. The supply of not less, and probably a great deal more, than 1,000 tons of copper per month has been assured, whereas it otherwise would have ceased.
4. A new industry has been established in Queensland, giving a fresh avenue of employment.
5. A regular supply of coal has been assured for the Northern State railways, and this and other kinds of cargo are carried for the Railway Department at lower cost than was charged by the privately-owned steamers on which the Government hitherto was dependent.
6. Increased facilities are provided for people in North Queensland for getting cargo to Brisbane.

Exploitation by a Combine.

The step taken by the Government opens the door to big future improvement in the North Queensland transport facilities. Few parts of Australia offered so easy a field for exploitation at the hands of the Shipping Combine. Fares and freights were fixed at very high rates; 41s. per ton was charged for taking cargo 1,200 miles from Brisbane to Thursday Island.

In June of 1914, some six weeks before the outbreak of war, the Combine fixed a new scale of charges. At the time "The Sydney Morning Herald" pointed out that, whereas nails and barbed wire could be landed at Townsville from America for 20s. per ton, the charge for bringing the same class of goods to that port from Sydney was 30s. per ton. The excuse for the increase which then took place was that, under a new industrial award, wharf workers were paid 1s 6d. per ton more than before for handling cargo. But the Combine was not content with merely getting back from the public the extra wages. For nails and barbed wire sent to Maryborough, Gladstone, Bundaberg, and Rockhampton an extra 4s. 6d. was charged, to Mackay an extra 8s. 6d., to Townsville jetty an extra 7s. 6d., to Townsville town wharf an extra 8s. 6d., and to Cairns an extra 10s. On other classes of goods the increases were similarly out of all proportion to the increase in expenses, while the occasion was treated as a convenient excuse for generally raising passenger fares and abolishing concessions previously allowed. Yet wharf workers were not required to carry the passengers ashore.

This was the kind of Trust on which North Queensland depended. The Combine ran steamers to North Queensland so long as no more profitable use could be found for them elsewhere. But with the ship shortage caused by the war the Combine found it could better maintain its dividends by practically cutting out North Queensland. And so big industries were threatened with extinction and whole townships of people were faced with the prospect of being stranded in one of the most inaccessible parts of the continent without means of subsistence or money to get away. The resources of the State were languishing for need of adequate means of coastal transport. Fortunately, the Government has rescued these important interests. Suffering and hardship to thousands of people has been avoided, existing industries have been saved, and a new industry is springing into being as a direct result of State enterprise.

The "Allinga" is not being run for profit. Far more important objects than that were sought after when she was taken over. But the Marine Department anticipates no difficulty in making the ship pay her way and pay interest on the outlay she represents, together with all fair charges for depreciation and wear and tear.

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CHAPTER 9.

NATIONALISING THE SUGAR REFINERIES.

The industrial and commercial dislocation which resulted from the war brought no more menacing set of conditions, in Australia, than those which overshadowed the nation with the likelihood of sugar famine. During the last four months of 1914, and the early portion of 1915, the nation was threatened with a definite and acute shortage of certain necessary articles of food; and the living standard of the people was directly endangered. Among these troubles loomed the prospect of a sugar famine. Heavy crops had been cut; but efforts were being made by holders of stock to deplete the market by exporting on a large scale. Overseas prices were rising; and big shipments leaving the Commonwealth promised to increase local rates, whilst the prospects for the 1915 cane harvest were very poor. The conditions then existing, if not altered by governmental interference, promised to bring fortunes to the few rich people who held large quantities of sugar, at the expense of the many who needed the commodity as an article of daily diet.

But the Governments of both Queensland and the Commonwealth acted. A bold policy of nationalisation was embarked on; and so marked was the skill with which the details were worked out and the method applied, that the whole business of

treating and distributing sugar passed into the hands of the representatives of the people so smoothly that the wheels of the industry suffered no check, neither growers, millers, refiners, merchants, shopkeepers, nor householders suffering so much as an hour's inconvenience. The Government took over and began working the machinery of private enterprise, turning the owners of the refineries and other instruments of manufacture and distribution into agents for the Commonwealth, at a fair rate of remuneration, and acquiring all the raw sugar in the country under special Act of the State Parliament.

Abnormal Difficulties.

For years past the growing and refining of sugar has ranked as a highly protected industry. Local prices ranked at least £6 per ton for refined sugar above the world's parity. That extra amount of money was paid by the consumers of Australia in order that sugar-growing might be kept alive. Queensland to a large extent, and New South Wales to a small extent, were the only States to benefit directly. Practically the whole of the nation was taxing itself in order that a business confined to the north-eastern corner of the continent might retain what to that locality ranked as a profitable business. But the impost was cheerfully borne. It was the price being paid for the maintenance of the White Australia policy. The purity of the race stood as a consideration far outside the limits of any financial consideration. But for the Alien Restriction Act, the grower could have sold black-produced sugar in Australia, by means of the employment of black labour, at a price equally low to that prevailing beyond the limits of the Commonwealth. And, but for the duty, the Colonial Sugar Refining Company, and others, might have imported into Australia sugar grown in the Pacific islands by coolies, and sold at the lower price obtained in New Zealand, where the Colonial Sugar Refining Company was fined five thousand pounds by a court of law for being a monopoly in the restraint of trade.

But the outbreak of war threatened to turn the fiscal policy of the country into a weapon which the Colonial Sugar Refining Company, a second and much smaller refining company, and other large capitalistic bodies, could turn into an instrument for shamelessly robbing the nation which has made its stupendous profits possible. The outbreak of war disorganised the sugar market of the world.

The dislocation of trade caused by the declaration of war instantly and greatly increased the world's price of sugar. Both Germany and Austria are extensive producers of sugar. The effect of the outbreak of hostilities was to lock up something like

two million tons of the commodity in those two countries. War prevented a continuance of their export trade. Also, war hampered the transit to Europe of sugar from elsewhere. Certain supplies were cut off. Prices soared up. Instead of the Australian price being £6 higher than the world's parity, the world's rates now rank higher than Australian prices. The Colonial Sugar Company, or any other corporations holding stock, if they had been let do so, could have denuded the local market by exporting supplies to overseas, where enticing prices offered. And then they would have been in a position to charge local consumers whatever prices they pleased, because the demand would have greatly exceeded the supply.

War had been in progress only a few weeks before holders of large quantities of stocks began to take advantage of the opportunities appearing to offer. The Federal Government acted only in time to prevent large shipments leaving the country. The promptness of Ministerial action went a long way to save the situation, as it was evident that a shortage in production was to be expected for the season 1915 owing to drought conditions, and it was necessary to conserve stocks. But already the position was badly tangled.

The sugar industry hitherto had been legislated for only by the Government of Queensland and the Federal Parliament. But after August, 1914, Southern States appointed their food prices boards. Each State was fixing its own price for the commodity. Dissatisfaction was expressed in Queensland at the rates these bodies decided upon, because the prices, in view of the poor crop, were too low to permit of the 1915 crop being harvested at a profit. The growers were complaining that the Colonial Sugar Refining Company was not treating them fairly; whilst that corporation threw the onus upon those responsible for the selling price which it was determined should be charged to consumers. The Southern States could decide that grocers within their own borders should not obtain more than a certain amount for the article, but they could not prevent a famine being artificially and deliberately created by exportation.

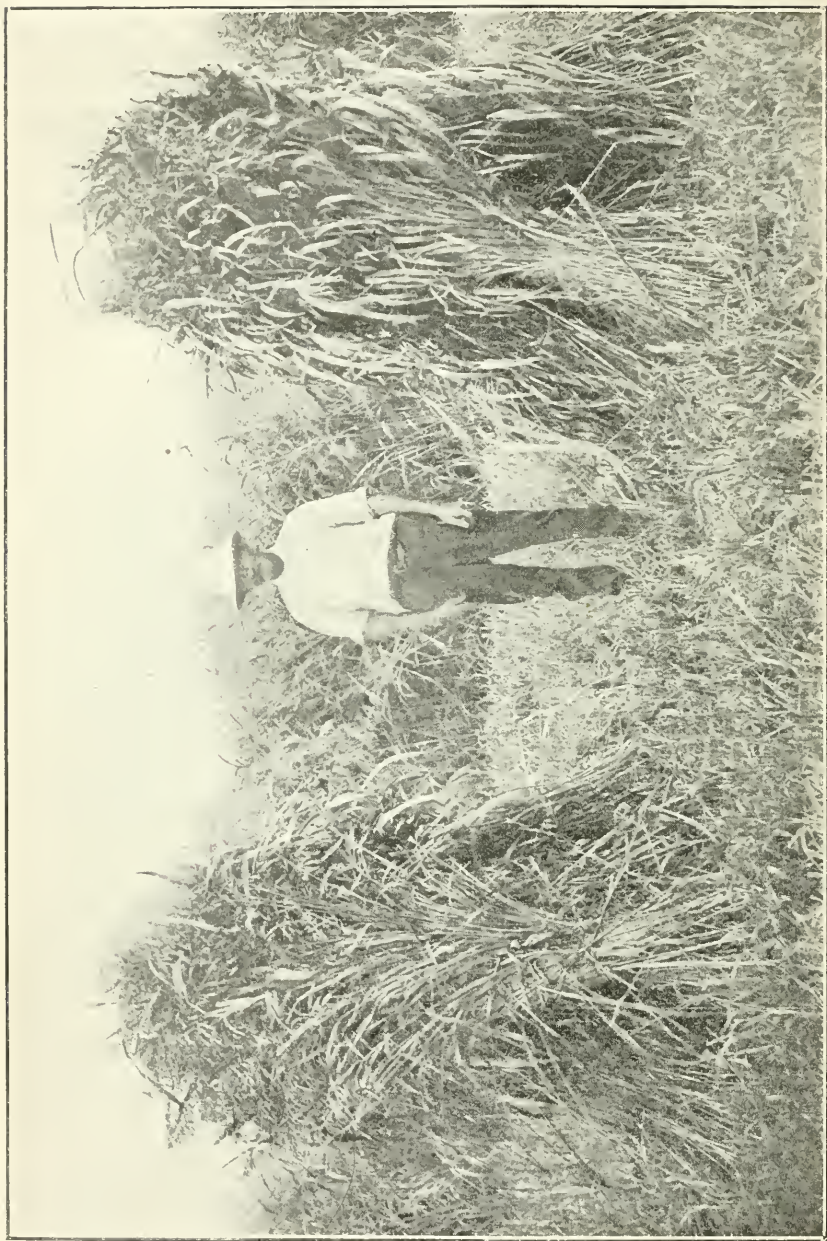
One source of complaint at the prices being fixed was based on the allegation that a false basis was being worked upon. The crop of 1913 had been exceptionally heavy, not only in Australia but throughout the whole world. The Commonwealth had grown sufficient to meet all its own requirements. But owing to the surplus on the world's market in 1913, despite the duty of £6 per ton, some 70,000 tons had been purchased abroad and imported. This created a large surplus, and Australian prices declined. But the decline was held to be exceptional and temporary.

The situation, if to be dealt with effectively, would permit of no tinkering. The legislation framed must go to the root of the problem, and deal with it in a comprehensive manner regarding both supplies in the country and the refining business. And no Parliament of itself could take the only steps needed to protect the people from a sugar famine. The Federal and Queensland Governments must act in agreement and promptly, if the food supply of the people was to be preserved in such a way as to remain accessible, and at the same time conserve the interests of the sugar industry. Fortunately, an efficient co-operation was forthcoming from the Queensland Government when the Federal Attorney-General asked for it.

Effective Nationalisation.

A saving feature in the position lay in the practical monopoly which the Colonial Refining Company held over the business of refining. Such competition as that body meets with needs little consideration. Nearly all the sugar grown in Queensland and New South Wales must ultimately pass through the hands of the C.S.R. Company. The growers, or the sugar-mills, must sell to its managers; and, directly or indirectly, most of the wholesale grocers must buy from it. That is why the State sugar-mills established by past Governments have accomplished so little towards freeing the industry from the grip of the one huge corporation. This meant that the road to Government intervention was simplified, though it also meant that the need for Government intervention was all the more pressing.

The Colonial Sugar Refining Company began operations with a capital of £150,000. That sum has since been increased to £3,000,000 entirely from profits. During the seven years ending with 1913, £900,000 was so capitalised. During the same period £2,991,142 was paid in profits to shareholders, who thus were able to pocket £400,000 annually, in addition to the amount by which they strengthened their position. This company handles 85 per cent. of the Australian-grown sugar. Various calculations have been made in connection with the matter, and the most reliable of these indicates that the normal net profit of the company, whether it be hidden away in reserve funds, or added to capital, or paid out to shareholders in the shape of so much proclaimed dividend, is about £760,000 per annum. That is the profit made in Australia. In addition to this, there is the sugar the same corporation makes in the islands of the Pacific and sells to countries with no racial prejudices against



consuming the commodity produced by blacks. This was the body in possession of the field when the fact of Government intervention being necessary was first borne upon the mind of the nation. The Necessary Commodities Boards of the Southern States were fixing the retail prices of sugar at rates which meant death to the industry in Queensland and subsequent famine. Nor did the monopoly make matters easier for the Federal or State Parliaments. On the contrary, the monopoly sought to intensify the difficulty by exporting stocks. Clearly the position was untenable. Still, it was obviously easier for the Government to deal with the one big company than it would have been to have dealt with a crowd of small competing firms. Management already was centralised, and everything was ready to receive the orders of one guiding brain, whether that one be in the pay of the State or of Private Enterprise.

The position of the Colonial Sugar Refining Company for controlling the industry and gathering the profits to itself may be measured from the report of the Necessary Commodities Commission furnished in January of 1915. This was an impartial, Government-appointed body, with no political axe to grind. In referring to the C.S.R. agitation to have the fixed price of sugar raised in the Southern States, this commission found as follows:—

“The Colonial Sugar Refining Company itself produced 88,068 tons of sugar at its mills in New South Wales and Queensland, and purchased 139,801 tons in these States for refining purposes. It therefore appears that of any increased price that might be paid upon the sugar produced in Queensland, the Colonial Sugar Refining Company itself would receive the whole of the increase in respect of nine twenty-seconds of that production. So far as the Commission can judge from the evidence, about five-sixths of the Queensland canegrowers selling to the Colonial Sugar Refining Company are under contract to sell at fixed prices, and one-sixth of them at prices varying with the price of sugar. Assuming that the same ratio exists as regards the cane sold to other sugar producers, it follows that only one-sixth of the canegrowers of Queensland would receive any benefit whatever from an increase in the selling price. The evidence tends to show that canegrowers in Queensland do not receive a fair share of the profits. The Commission, however, is of the opinion that the present selling price allows of reasonable profits in the production of this commodity, and that the distribution of such profits amongst the various classes engaged in production of sugar is not a matter which the Commission can take into consideration.”

The condition of the industry over which one company holds the power to fix how much money the producer shall receive for his goods and how much the consumer shall pay for his food may be judged from the following statistics taken up to the last complete year in which Private Enterprise was in undisputed possession of the reins of power.

Year.			Net Imports.	Production.	Population.	Consumption per capita.
			Cwt.	Cwt.		Lb.
1904	..	..	701,820	3,353,910	3,984,390	114·01
1905	..	..	275,509	3,456,400	4,052,430	103·14
1906	..	..	654,447	4,167,533	4,119,481	131·10
1907	..	..	241,862	4,349,586	4,197,037	109·62
1908	..	..	96,248	3,321,880	4,275,306	89·54
1909	..	..	1,832,943	2,984,760	4,374,138	123·36
1910	..	..	548,459	4,591,689	4,424,312	130·12
1911	..	..	549,880	3,811,900	4,490,366	108·64
1912	..	..	1,924,484	2,605,200	4,644,852	109·22
1913	..	..	1,428,849	5,325,340	4,803,661	157·48

The net imports of 1913, although 496,635 cwt. less than the net quantity obtained from outside the Commonwealth in 1912, were still some 445,266 cwt. above the annual average since the establishment of federation, which is 983,583 cwt. For the same period the annual average consumption of the Commonwealth amounts to 127·60 lb. per head of population.

The Action Taken—The 1915-16 Agreement.

The Federal and Queensland Governments solved the problem together. The Queensland Government could not do so alone, because operating inside the fiscal wall surrounding the Commonwealth were Southern refineries which might work on imported material, as well as the individual State Price-fixing Boards, which fixed the retail selling price regardless of cost of production within the State of Queensland. When the Government's opponents argued to Parliament that Queensland held the key to the position because she held the sugar which the other States had not got and wanted, the present Premier, Mr. T. J. Ryan, pointed out that the sugar industry of Queensland rests on the goodwill of the Southern people, and that if the electors of the rest of the continent chose to alter the fiscal policy, the sugar industry would be destroyed. Both the growers and the refiners had to act reasonably to the consuming public, and the manufacturers must be made to act reasonably towards the producers.

The State and Federal Governments decided on the nationalisation of the industry from the point of the raw sugar leaving the hands of the millers, with protection of the growers as against the latter in the form of Price Fixing Boards. The process of growing, like other branches of agriculture, had always been open to the forces of supply and demand. No combination had bound the primary producers together in a manner detrimental to any other section of the community. The big task of taking over so huge a concern as the refining and distributing of sugar was simplified by the method adopted. Practically, the Colonial Sugar Refining Company and the Millaquin Refinery were turned into agents for the Government. First of all, the Queensland Parliament seized all the sugar in the country by passing the Sugar Acquisition Act. A price of £18 per ton was fixed for paying the millers for raw sugar, and 3d. per lb. was fixed as the retail price to be charged to consumers. However, the latter was shortly afterwards raised to 3½d. per lb. This arrangement lasted for two years, covering the crops of 1915 and 1916. The locally-grown sugar, owing partly to drought having decreased production, proved insufficient to supply all the Australian needs. The Commonwealth Government was therefore obliged to import stocks to make up the deficiency. The agreement between State and Federal Governments and the private investors interested worked smoothly and satisfactorily to everyone concerned, both growers and consumers benefiting to a marked degree. But the agreement expired in the early part of 1917. The Federal Government reaped a profit of nearly half a million pounds' sterling from the transaction. This phase of the matter was not regarded favourably by growers, who held that, though Government interference was fully warranted in order to secure the protection both of the industry and the public, the Federal Government was not justified in making more money than was needed for paying all the expenses.

The 1917 Agreement.

In June, 1917, a new arrangement was entered into. During the two years' currency of the old arrangement a new set of conditions had arisen. The award of the State Arbitration Court, known as the "Dickson Award," had substantially increased wages of sugar-workers, and an appeal to the Full Court on the grounds, among other allegations, that the new rates were excessive, had not resulted in any considerable reduction. The cost of bags and other material had advanced to a level far in advance to that prevailing when the sugar prices were fixed for the 1915-16 period. The price to be paid to the mills was consequently raised from £18 to £21 per ton, the division of

the latter figure between millowners, growers, and workers being left for adjustment by the Cane Prices Boards and industrial awards. The retail price to consumers was left at 3½d. per lb.

The latter agreement carries two stipulations—(1) that the conditions of employment shall not be interfered with during the currency of the arrangement, and (2) that no fresh legislation, with one specified exception, shall be passed to take effect within the duration of the arrangement. The compact lasts for twelve months and applies to the whole of the 1917 crop, but not to that of 1918. Should the war continue until June of 1918, doubtless the existing terms will be renewed with such modifications or alterations as circumstances appear to warrant.

The big monopoly, thus hemmed in on both sides, with buying and selling prices decided on by the representatives of the whole people, has been converted into an instrument for protecting the growers on the one hand and the consumers on the other. Under the existing method there can be no unfair dealing either with the people or with the growers of cane.

An evidence of the Queensland Government having acted properly has been furnished from a high official source among interested circles holding heavy financial interests and possessing thorough technical knowledge. Mr. Marshall, the canegrowers' representative on the Central Cane Prices Board, said at Mackay some months ago, at a meeting of the Canegrowers' Association there, that he was satisfied that, so far as the sugar industry was concerned, the State Government had done more to place the industry on a sound basis than had ever been done before, and the Government had been faithful to its promises. This gentleman was president of the United Canegrowers' Association of Australia.

The Prices Boards.

Acquiring raw sugar and controlling its treatment and disposal could not of itself enable the State and Federal Governments to avert the dangers which threatened. If the industry was to be preserved, a fair return had to be assured to the growers. This was necessary in the interests of consumers as well as of the farmers, for the cessation or substantial reduction of production constituted a possibility which, if allowed to materialise, must involve a famine. Consequently the Cane Prices Boards were appointed to fix the price of cane as between the growers and the mills. For each mill a Local Board could be appointed, and, in addition to these, Parliament authorised the constitution of a Central Board to which appeals could be taken. Once a ruling was arrived at, the price so fixed was to prevail. These Local Boards consisted of elected representatives of buyers and sellers, with an impartial chairman. No longer was the mill-owner to be the sole judge as to what was a fair rate to pay the

producer. Yet in the past the owner of the mill had been the sole judge, and there was no appeal from his verdict. Mr. Swayne, M.L.A., an opponent of the Ryan Government, speaking publicly in June of 1914, said, "The buyers hold a monopoly, and they have the growers in the hollow of their hands."

The Government has liberated the industry and protected the whole of the consumers of Australia from being forced to pay famine prices for their sugar at the time when sugar was reasonably plentiful. It is true that growers are now receiving below the world's parity for their product, but for very many years the Federal Government had secured for them much above the world's parity. The growers cannot expect to benefit from protection both ways. Ever since federation, the people have been paying through the nose for the sugar industry. The people are now getting some cash return back for their money. Also, for the first time in the existence of the industry, the growers are sure of a fixed price for raw sugar.

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CHAPTER 10.

THE STATE LABOUR BUREAU.

The State Labour Bureau as at present constituted is an extension, amplification, and, to some degree, alteration of a method established by previous Governments. The office is controlled by the Director of Labour, who also is the Chief Inspector of Factories and Shops. In 1915 the system of the Bureau was remodelled, and its functions substantially increased. The change, which was far-reaching, and already has reflected itself on the industrial life of the whole State to an important degree, came into operation in October of that year.

As previously managed, the Bureau was merely an employment agency conducted very much on the stereotyped lines of a private undertaking, with the addition of a few concessions made to needy applicants for work who were unable to find their way to places where employment was waiting for them. The new method is based on recognition of the serious public evils arising from unemployment. The Government has sought to decrease and prevent unemployment by—

- (1) Making labour more mobile, which is attained by establishing complete and intricate machinery for ascertaining the requirements of employers and the condition of the labour market over the whole State;

- (2) Ascertaining, with the greatest possible accuracy, the number of men in the various districts requiring work, and classifying them according to their capabilities and various trades;
- (3) Keeping the data relating to (1) and (2) so thoroughly up to date that at any time the information is never more than a week old;
- (4) Advancing fares, or portions of fares, to men anxious to work at distant jobs which are waiting for them, but without the money to make the necessary journey;
- (5) Placing applicants in whatever suitable available work is nearest to their respective homes; and
- (6) Providing the managers of the many and rapidly increasing State enterprises with complete up-to-date information as to the condition of labour in the various districts; so that, so far as is consistent with meeting other requirements, the progress, at least of some, of the undertakings may be adjusted in such a way as to have a steadying and levelling effect on the market.

That the Bureau is developing rapidly in the direction desired is made abundantly manifest by the statistics relating to the number of people for whom positions have been found, and by the record of the details generally relating to the achievements of the Department.

The Method Adopted.

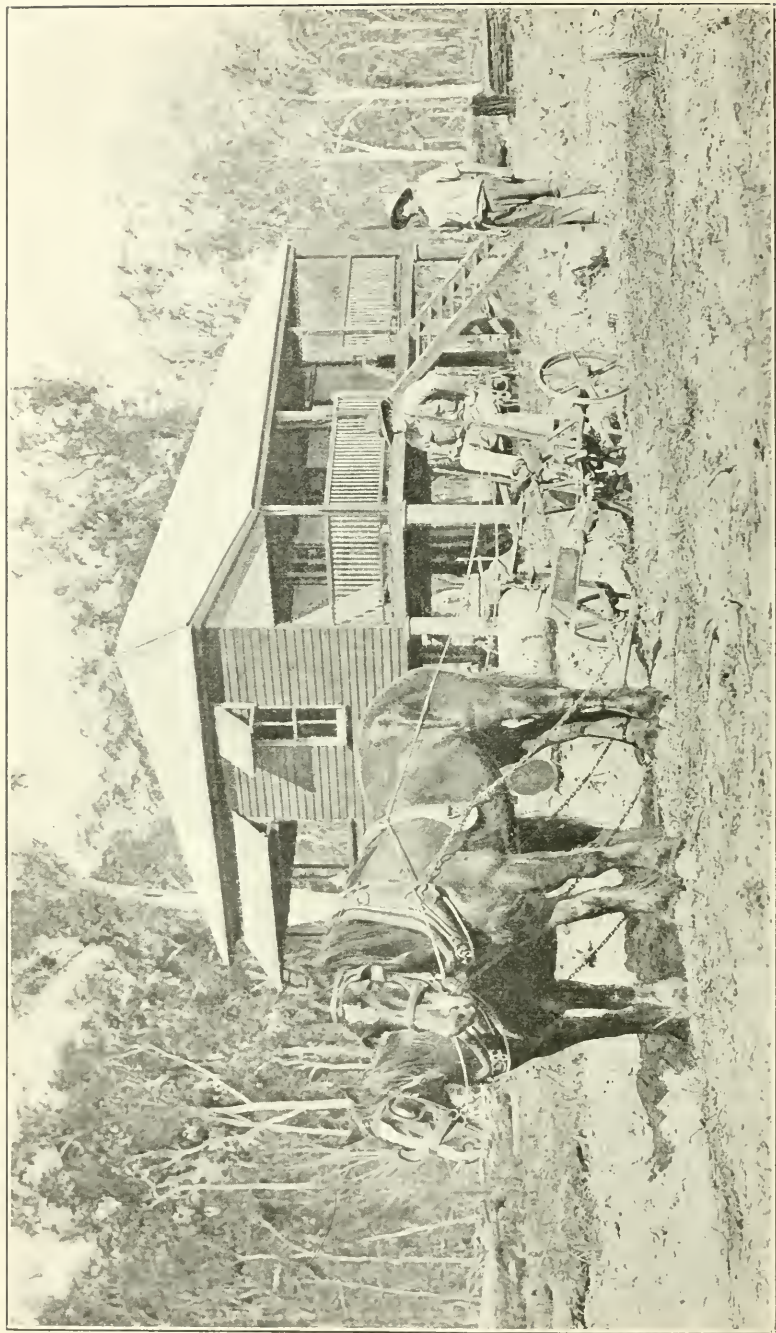
Unemployment has been lessened to a marked extent by increasing the mobility of labour. Under the old *régime*, men would be workless in one part of Queensland whilst employers in another district would be impeded in profitable operations because of their inability to secure sufficient men. Employers and employees, separated by a few hundreds of miles, knew but little about one another's respective requirements. The labour market of the State was divided into so many watertight compartments; and when industrial news, of the sort with which we are dealing, did filter through from one region to another, there was no adequate machinery for engaging the employee and then aiding him to get to his job. The need for such aid yields no evidence of shiftlessness. The ordinary wage-earner with a family to keep can hardly be expected to have much money in his pocket after the expiration of a few consecutive weeks of enforced idleness.

The establishment of an intricate network of exchanges throughout the cities and country townships of the State at once provided facilities for the systematic and weekly forwarding to headquarters of full information of industrial conditions

throughout Queensland. Every seven days a report is sent to the Central Bureau from each of eight Central Labour Exchanges showing the number of men unemployed within the district which the exchange covers and over which it controls a group of agencies. These statements give full particulars about each applicant for work and the class of employment he desires to obtain. Particulars are included to show what employers have work to offer, and what the work is, together with particulars as to wages and conditions generally. These reports are co-ordinated, and a comprehensive statement of the conditions existing in every district of the State is posted to each of the eight exchanges at the same intervals as the inward reports are despatched. This method is supplemented by frequent telegraphic information.

The results of the plan are summarised in the Annual Report of Mr. W. R. Crampton, the Director of Labour, for the year ending 30th June, 1916. This gentleman wrote:—"At the beginning of the year under review, many of our most important industries were seriously affected by the drought and the war, and, in consequence, many men were thrown out of employment. The Pastoral and Meat Industries, together with the Building Trades, were affected most, and, had it not been for the absorption of a big number of these people by the Government in railway construction work, the seriousness of the position would certainly have become more acute. Without the organisation of the Exchanges, it certainly would have become most difficult, if not impossible, to accurately measure the extent of the depression, let alone cope with the demand put forward by the workless men. By mobilising the workers seeking employment and making their requirements known in a systematic way, the object that the Minister had in view when he decided upon the introduction of the Exchange system was undoubtedly assisted. Employers in search of labour were brought in touch with those seeking employment; and in this way jobs were found for 6,447 men, while 7,269 men were placed by the Government throughout the State, making a total in all of 13,716 being sent to employment through the Exchanges. During the previous year 5,592 men passed through the Bureaux, the aggregate registrations for that year totalling 9,095 as against 30,759 for the year ending 30th June, 1916."

The evidence yielded by these figures is even more favourable than they appear at first sight. Of the period covered in the report, nearly four months passed before the new system was initiated; and, subsequently to October, some months passed before the present method was understood and in thorough working order. The latter truism is demonstrated by the effective transactions of each month showing an improvement as against



TYPE OF SOLDIER'S HOMESTEAD ERECTED AT BEERBURUM.

the figures relating to its predecessor. Regarding the excess of 30,759 applications for work as against a total of 13,716 for whom positions were found, allowance should be made for a large number of men who, after registering their names at the Bureau, find work privately within a few days. No considerable number of men remain for any serious length of time registered as workless on the books of the Bureau.

Improved Organisation.

The Government has wasted none of the available material in establishing that completeness of organisation which alone can be safely depended on for abolishing local reserves of labour and for rendering readily accessible a thorough knowledge of the supply and demand for workers, both male and female, throughout the various divisions of the State. The machinery of the unions provided ready-made adjustments for meeting some of the requirements, and the secretaries of these bodies readily co-operated with the Department in the endeavour to ascertain from month to month the true position of the labour market. This idea was put into operation only late in the 1915-16 year; but the Director calculates that in future the data obtainable from the unions, together with the exchange records, should accurately reveal the conditions for employment throughout Queensland.

The returns for the 1915-16 year, which have been prepared with great minuteness and with systematic lucidity, show that no particular centre has been used for recruiting labour, irrespectively of the locality from which the demand emanated. The manner of selection gave preference to those registered at the Exchange nearest the work for which the Bureau was asked to supply men. "The full development of the system under review," reported the Director to the Minister, "should prove of incalculable value to the State when post-war conditions prevail."

Assisting the Workers.

The method by which applicants for work are selected in order of rotation, those registered first obtaining preference, and so on, together with the satisfaction which that plan gives to managers of State undertakings, is explained in the chapter on "Day Labour" in this publication. Precisely the same factors, in this respect, apply to private managers of men as apply to public officials acting in that capacity, and the same mutual benefits should accrue. The method ensures a complete absence of political interference, and no fairer way of choosing men for positions could be devised. All are given equal opportunity; he

who has been longest without work is the first to obtain it; and the employer is fully protected, inasmuch as he is under no obligation to continue employing an idle or incompetent employee.

During the 1915-16 period, of the 13,716 applicants for work engaged through the Exchanges, 6,383 were assisted by the issue of railway passes, the value of which amounted to £3,904 13s. 7d., representing half fares for those placed by Exchanges and full fare for those securing their own work. The value of the amount refunded by those so assisted was £2,831 19s. 10d., or 72 per cent. of the value of passes issued; and the amount outstanding as good at the time when the Director's annual report was prepared totalled £306 4s. 9d. The value of refunds was in striking contrast to the value of such refunds in past years when the figures amounted to but a small fraction of those of the 1915-16 period. The latter increase was due to the vigilance of Departmental officers and the close supervision exercised in the matter.

Protecting Employees.

Among the functions discharged from the Labour Bureau are supervising private labour exchanges and safeguarding employees against breaches of State industrial awards and registered agreements. In June, 1916, fifty private labour exchanges were registered throughout the State under the Labour Exchanges Act. Of these, one was prosecuted for not having complied with the law and was also prosecuted for overcharging an applicant for a situation, in the latter case being ordered by the court to refund a sum of £2 11s. from a fee of £2 15s. which had been charged to the worker. Referring to the latter, the Director states:—"I have every reason to believe that the practice of overcharging has not been put down by any means, but, with vigilant supervision, hopes are entertained that defaulters in this connection will be brought to book."

An excellent feature of the activities of the Bureau lies in the practice of forcing employers to disgorge shortages in wages paid to employees working under an industrial award or agreement and illegally paid less than the proper minimum. During the 1915-16 period the Bureau collected, on behalf of workers who had been underpaid, arrears totalling £9,110. During the same year the number of prosecutions initiated under the Industrial Peace Act for breaches of awards was 256. The total number of prosecutions for contraventions of awards, non-observance of Factories and Shops Acts, and breaches of the Labour Exchanges Act, was 431. The total value of fines and costs arising out of the prosecutions amounted to £1,238, and the costs given against the Department amounted to £76.

Past Operations.

Unfortunately, no figures yet available show the results of a complete period under the operation of the new system. However, a considerable proportion of the returns for the twelve months ending on the 30th of June, 1916, relates to transactions under the plan initiated in October, 1915, and brought into complete working order early in 1916. The following table is selected from among many as presenting in a short space the most comprehensive view of the activities of the Department as extending all over the State:—

Agency.	SUPPLY REGISTERED.			Demand.	PERSONS SENT TO EMPLOYMENT.			Percentage Supply found Employment.
	With Dependents.	Without Dependents.	Total.		Government.	Private.	Total.	
Brisbane ..	7,285	5,320	12,605	5,560	2,378	2,638	5,016	39·7
Bundaberg ..	481	1,210	1,691	817	223	360	583	34·4
Cairns ..	347	311	658	475	260	121	381	53·7
Ch. Towers ..	472	192	664	584	45	529	574	86·4
Gympie ..	212	161	373	232	147	51	198	53·0
Ipswich ..	2,354	1,090	3,444	1,527	1,101	394	1,495	43·4
Mackay ..	324	465	789	430	277	55	332	42·0
Maryborough	534	392	926	482	397	85	482	52·0
Mount Morgan	87	44	131	66	44	18	62	47·3
Rockhampton	2,550	1,008	3,558	1,667	887	766	1,653	46·4
Toowoomba ..	1,070	883	1,953	916	369	533	902	46·1
Townsville ..	1,160	1,765	2,925	1,498	714	663	1,377	47·0
Warwick ..	94	260	354	307	44	215	259	73·0
Sub-Exchanges	373	315	688	406	383	19	402	58·5
Totals ..	17,343	13,416	30,759	14,967	7,269	6,447	13,716	51·4 Aver.

The report of subsequent year will reveal greatly increased effective activities, because the new system will have been in operation during the whole of the twelve months included within the scope of the statistics.

CHAPTER 11.

NATIONALISING THE LIQUOR TRADE.

The Government was induced to enter the hotel-keeping business by matters of expediency, as well as of principle. Circumstances in certain country districts called for State intervention in the matter of providing accommodation for the travelling public, as well as in establishing means for obtaining reasonable wholesome alcoholic liquor in retail quantities. The Ministry, as a consequence, resolved upon the establishment of three licensed houses to be owned permanently by the State and managed as State institutions. One of these has been erected at Babinda at a capital cost, including the purchase of furniture, of less than £18,000, and an active legitimate trade is now being carried on there. A few days after the premises were opened, the Home Secretary refused two offers for this property. One was for a straight out purchase at £50,000, and the other for a lease at an annual rental of £5,000. The erection of the other two is waiting the result of the earlier enterprise; but the experience already gathered has served to strengthen the justification of the Ministerial policy.

A further extension of the same policy has been manifested in the Government taking over the control and management of all the railway refreshment-rooms throughout the State. At most of these places alcoholic liquor is sold, and they now form part of an extending State enterprise. This phase of the subject receives special treatment in the following chapter.

The nationalisation of the liquor trade, with a view to its ultimate abolition, stands as part of the Labour platform, which Ministerialists were elected to carry into effect. The principle has been approved by the people. The present action has been adopted not solely because of a desire to interpret abstract principle into concrete fact.

The Government intends first establishing hotels only where they are badly needed. The requirements take two forms. From the nature of its industry, Queensland contains a large nomadic population. Shearing, cane-cutting, and other occupations connected with primary industry entail the movement of considerable numbers of men. Workers have to roam long distances in search of employment; and when they have found it, the only available living accommodation sometimes is of the most primitive sort. Need for wages sometimes compels men to live under circumstances which certainly should be removed, so far as they can be removed by the community acting collectively.

Certain remote centres of population, which do not contain licensed hotels, are infested with sly-grog shops. Distances from the outside world, the familiarity of the local people with one

another, and other obstacles combine to prevent convictions being secured in these cases. Liquor sold at these illicit places is of the most dangerous character, sometimes causing death, and often producing temporary insanity. So conspicuous had this evil become that, before the Cabinet resolved on taking action at Babinda, Ministers were urged to do so by the local cane-growers' association. Those bodies usually are strongly opposed to any liquor being sold; but in this and similar instances they were faced with the hard facts of the situation. And the facts forced them to recognise:—Firstly, that the drink trade could not be stopped immediately; secondly, that it was better for the people to be sold liquor which would not poison them than liquor which rendered them unfit for work; and, thirdly, that the most likely way in which to have the traffic properly regulated, and only sound alcohol sold, was by the Government entering the business. Representations, with this end in view, were made to Ministers.

Thus, having been asked to do so by organisations formed in the interests either of temperance or of prohibition, and in order to provide living accommodation for travellers and nomadic workers, as well as to sell sound liquor, in place of adulterated stuff, the Government took the first step yet ventured in Queensland toward nationalising the drink trade, with the ultimate view to its abolition. Babinda had been a prohibited area under legislation dealing with the sugar industry; and the only private enterprise enjoyed there in the liquor trade was illicit. The State establishment has conferred a boon upon a considerable number of persons who have had to carry on industry locally for years without suitable living accommodation being near them. Had private enterprise stepped into the breach, the public ran the risk of being served with more than one more of the stereotyped pattern of tiny bush public-house—a shanty of a building, containing hardly any facilities for people to sleep, and a bar stocked with the most inferior class of drinks which can be sold without bringing upon the vendor the fears of a speedy prosecution.

The Principle Involved.

The important feature about the action taken by the Government is not that comfortable living facilities should be provided in remote country centres where previously the nomadic worker or the traveller was left to sleep in a rude hut, under a tree, or to depend on the hospitality of a chance person. The important feature is that the Government should begin to apply the principle of the nationalisation of the drink trade—the plank which, standing, as it does, in the very forefront of the platform, has attracted so much criticism, and brought so much abuse from the enemies of democracy.

The Labour party has always been pledged to temperance. The Labour party is pledged to prohibition, in so far as prohibition appears to be practicable. Every successful effort in the direction of temperance paves the way towards ultimate prohibition. Every regulation effectively rendering alcohol less accessible than it was before promotes temperance. The potent effects of all restrictions imposed on the drink traffic lie not with the man already possessed of a liking for alcohol, but with the man who has not yet acquired the liking. Drink is an acquired taste—a taste acquired in different periods of time in different cases. A few months in one case, many years in another, of steady, moderate drinking are needed to confer the chronic desire for artificial stimulant. That is why the effect of any legislation aimed at reducing the volume of the trade can show its real result only after the expiration of at least one generation. Increased restriction on the sale of liquor will lessen the crop of habitual drinkers; and, when that crop is sufficiently lessened, the community will be ripe to adopt a law embodying prohibition, and will be ready to abide by such a law. The Labour party regards the nationalisation of the trade as more effective in the realisation of temperance and moderation in drinking than any quantity of regulation of private enterprise. The nationalisation of the trade implies the abolition of all inducement to any individual to encourage the use of intoxicating drinks. Therefore, nationalisation provides the surest and best of roads towards the needed end. If they were wise, all temperance reformers would advocate State control of the trade which they themselves represent as being the source of most of our social evils.

Discouragement of Drinking.

To leave the drink trade in the hands of private enterprise means to leave a premium on the encouragement of drunkenness. Laws may be framed with the promotion of temperance as their purpose; but no amount of law can prevent the stimulation of heavy drinking, when the licensee has committed himself to paying a rent which can be met only by a large volume of trade passing over his bar counter, and when the forces of competition and of supply and demand are bringing success to the publican who sells most liquor, and failure—probably ruin—to the publican who sells least.

Private enterprise has brought to a fine art the business of pushing the sale of alcohol. Lounge-bars, billiard-rooms next to bars, attractive barmaids, counter lunches, and fifty other inducements, all are established to draw and hold the possible customer, to whom the desire for alcohol is not alone sufficient inducement to cause the expenditure of sixpence. Even the exteriors of the buildings are designed for a similar purpose. No other buildings

are decorated on the outsides with so many bright mirrors, or are lighted at night with so many brilliant lights. Experience has taught the publican that the hotel with a striking outside will produce a more vivid impression on the senses of the passer-by. The publican does not think in terms of psychology; but he reaches the result a psychologist would reason himself into, and the publican gets there quicker. The strong impression acts upon the senses of a waverer—perhaps some unfortunate victim to his own desires, who is striving to conquer himself. And so it is that, with bright colours, glittering glass, strong lights at night, and other conspicuousness, private enterprise can rake into the drinking shop men from the streets outside. Having caught their drinker, having once imparted the taste of alcohol to the customer, they fish him back again out of the street by aid of subtle and manifold designs. Private enterprise in the hotel business prospers in exact proportion to the quantity of alcohol it sells. The community all the while is granting rich prizes to men and women for spreading the craving for strong drink.

Effect of Nationalisation.

The establishment of national hotels involves no new experiment. For a decade and a half West Australia has owned hotels, and they prove sources of considerable profit. South Australia, for many years, has owned similar institutions, managed as part of a State department. In some instances these are run as monopolies, so far as the districts they are respectively situated in goes. In other instances the collectively-owned houses are successfully managed in open competition to private enterprise. The State is found to give the public better value for money received than does private enterprise; and, at the same time, considerable profit accrues to the public finances. But, whatever may be the circumstances surrounding the State enterprise, one broad principle of management is followed in all instances: The consumption of intoxicating liquors is not encouraged by extraneous aids.

In every instance the State hotel provides the best of sleeping accommodation and of food. Reading and writing rooms are provided on a scale superior to what private enterprise is able to do on the same tariff. The best quality of spirits and other liquors are kept in stock; but no one is interested in pushing the sale of them. The hotel manager, when employed by the State, is not credited by a heavy consumption of liquors, but his success is measured by the results accruing from the other branches of the establishment he controls. The profits earned from the bar enable the State, when it owns an hotel, to provide the visitor with excellent service for a small charge.

In the case of the private licensee, the profits from the bar mostly go to pay an exorbitant rent charged by the owner of the freehold. When the Government grants the latter his license it presents him, for nothing at all, with something which he may let out at hundreds and sometimes thousands a year. He is paid an enormous amount without having rendered any service in return. When the State enters the business of hotelkeeping it retains for the people this wealth which previously the owner of an hotel was able to extract directly from the public or, indirectly, through the agency of a tenant.

Except in the case of a decaying town, or where there happens to be an excess of competition, either circumstance being extremely rare in Queensland, or indeed in any part of Australia, hotel property is very valuable. The market value of an hotel is much greater than the cost of the building added to the value of the land. Half the total value may have been conferred by the granting of the license. If the license were lost the property would lose 50 per cent. of its value. This value of the license arises from the number of licenses being limited. The hotel-keepers of any given locality collectively hold a monopoly, which the community presents them in return for a nominal fee. Sometimes an individual hotelkeeper fails in his business, but that is through bad management or because he agrees to pay too much rent. Each hotel is a source of a large unearned income to someone.

When the State enters the business, it appropriates this unearned income for the people, to whom it rightly belongs. If the State makes profit from a bar, instead of finding its way into the pocket of an idle individual, the money partly goes into the Treasury of the country, and partly is spent in procuring comfort for the people who sleep and eat their meals in the hotel.

The Moral Outlook.

No advocate of temperance, who is not quite blinded by unreasoning prejudice, can find other than praise for the action of the Queensland Labour Government in commencing to apply the principle of the nationalisation of the liquor trade.

Sometimes extremists among the enemies of the liquor trade raise a sentimental objection against State control on the ground of the thing being too unclean for the Government to handle. The more it is examined the more untenable does this position appear to be. The Government already is committed to the control of the trade about as heavily as it well can be. From no other single source is so much revenue derived as comes from tariff and excise duties on the drink trade. The last financial year for which the figures are available shows that the Federal

Treasury benefited to the extent of more than four million pounds sterling from this one item. Apart from this, the State Governments receive licensing fees. No one can honestly hold that the Government may hold aloof from the hotel traffic. The business is so environed and regulated with laws that the private hotel-keeper may justly claim that he carries on his business under the express approval of the Government.

The drink question is too important to allow of legislators permitting themselves to be fogged by sentimentalism which leads nowhere and elucidates nothing. Mountains of evils rest on the traffic, and if it were possible, in some magic way, to effectively adopt prohibition without any delay whatever, then quite half our present social and economic difficulties would disappear. Too much thought cannot be applied to the problem; and we cannot afford to keep our gloves on while we handle the practical difficulties that await solution. The Labour party, in realising these things, and in unswervingly acting according to their convictions, stands between two fires. Extreme prohibitionists, on the one side, declare against nationalisation, because they will have nothing less than immediate prohibition. The friends of the publicans—and the publicans can always command a fairly numerous and very well organised following—are ready to attack the Labour party, or any other political combination which proposes taking such action, for encroaching on the domains of the hotelkeepers' private enterprise.

But the Government will not be deterred by fears of that description. The ideal being fought for is sufficiently important to justify the exercise of great courage. The ultimate complete nationalisation of the whole of the manufacture, importation, distribution, and sale of intoxicating liquors forms the objective towards which the first practical step has been taken by the establishment of the hotel at Babinda. And after nationalisation will follow prohibition.

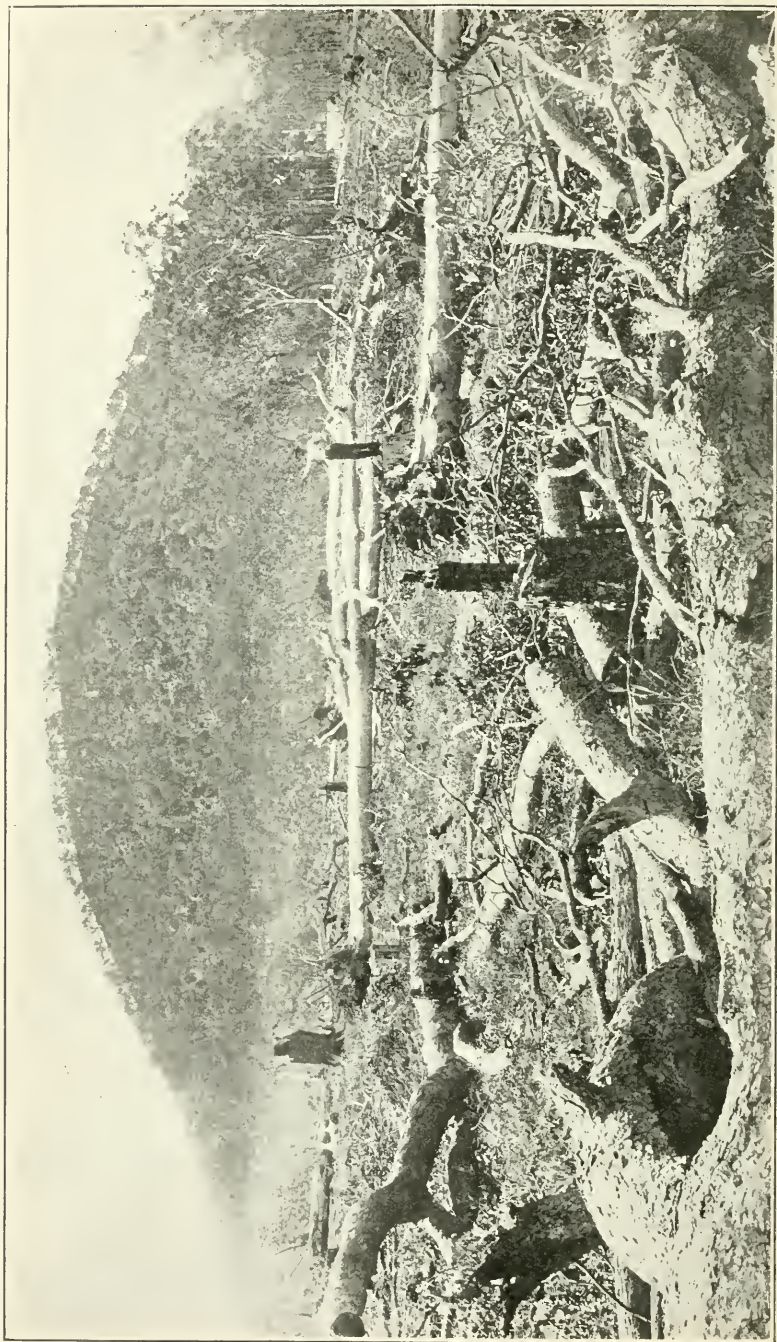
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CHAPTER 12.

RAILWAY REFRESHMENT ROOMS.

Two sets of reasons justified the Railway Department, on 1st January, 1917, taking over the sole control of bars and refreshment-rooms on certain stations. These establishments existed for the convenience of the travelling public. Governmental management was needed, in the public interest, because —

(1) A large number of refreshment-rooms could be managed more economically from one centre than when each was under separate control. Purchasing commodities might be carried



LAND BEING CLEARED FOR SOLDIERS' BARRACKS AT DEERHURST

out to greater advantage when done on a large than on a small scale. There were thus good grounds for believing that the revenue of the Department might be made to benefit from the change by the full extent of the profit previously made by the contractors who previously paid an annual rental for the use of these trading facilities, plus the amount of saving to be achieved by the rooms being brought under centralised management.

(2) From time to time complaints had been made by the travelling public at the quality of refreshments obtainable at railway stations; and the Department anticipated no difficulty in removing the grounds of these hostile criticisms. The person who obtained from the Department the use of a refreshment-room in which to trade was given a monopoly, because the travellers on long-distance journeys were not able to procure meals from any other dining-place. Regulations were framed to deal with the matter of charges, and certain standards of quality were fixed. Yet no possible method of inspection and stipulation could insure fair value being returned for money in every, or any, instance, with the consequence that in Queensland, as in the other States, a lack of uniformity characterised the refreshments procurable along the various trunk and branch lines, quite different scales of value being given for the same amount of money at different stations.

Rooms Taken Over.

On the first day of 1917 the Department, for the first time, managed twenty-seven dining and refreshment rooms on that number of stations. At the same time three dining-cars were attached to as many long-distance trains—one being on the Brisbane to Cloncurry route, one on the Charleville line, and the other on the Longreach run.

Thirteen refreshment and tea rooms remain in the hands of contractors; but, in pursuance of the policy already initiated, these will be gradually absorbed under the management of the Department. Bars for selling alcoholic drinks are attached to eight of these thirteen establishments.

A rental varying from £12,000 to £15,000 was received annually from the twenty-seven rooms already taken over by the Department. These were let out on leases, usually each of three years' duration. That the contractors were able to pay these rents and still make a profit is demonstrated by the fact that it was frequent for the same people to renew their expiring leases. The new policy has not been long enough in operation, at the time of

writing, to show a balance-sheet; but the Department is in possession of sufficient data to lead to the expectation of a rate of profit at least equal to the previous revenue from rental. And, meanwhile, the quality of the service rendered to the public has been substantially improved.

The refreshment-rooms are controlled by a general manager stationed in Brisbane. He is entrusted with the task of purchasing necessary stocks and appointing local managers for the various rooms. Where waiters, waitresses, and other employees are needed, they are employed under conditions laid down by wages boards, in such localities as the latter apply. The remuneration of all is paid by the Department. In the instance of every room, the general manager is in a more favourable position for obtaining the highest quality of goods than a private contractor could be, as well as for purchasing more cheaply. This is most marked in the case of wayside tearooms and the smaller class of dining-rooms, where, when separately managed, operations are conducted on a small scale. Moreover, no private buyers are of credit so sound as is that of the State. The big merchant will most readily grant concessions to customers whose financial position is strongest.

The public is likely to be most directly interested in the change because of the improved standard of comfort provided. The Department will not attempt to turn to an unfair gain the monopoly which, from the nature of things, it holds in supplying the requirements of persons travelling long distances and requiring meals. The latter hitherto had to carry cold food, patronise the facilities offering at certain stopping-places, or go hungry. Under the new regime all travellers meet with identical treatment at refreshment rooms in regard both to the quality of the food supplied and to the charge made. In the past this has not always been the case, and members of the ordinary public are already appreciating the change in their favour.

The provision of dining-cars on long-distance trains both shortens the time spent on journeys and increases the comfort of travellers. Stops at stations for meals are rendered unnecessary to trains fitted with this convenience, whilst the need for hastily gulping food whilst anxiously watching the hands of a clock is abolished.

An important public advantage from the extension of State control to this business is that, under the new régime, no individual will stand to gain either from pushing the sale of intoxicating liquors or from supplying alcohol in a cheap and injurious form.

CHAPTER 13.

STATE INSURANCE.

The State Government has embarked on insurance, partly because the Cabinet believed that when Parliament rendered compulsory the payment of premiums as cover against risks to life and limb, incurred in industry, then an obligation rested on the State to provide the best return from expenditure, compatible with safe financing. Moreover, the national importance of insurance generally gave rise to reasons whereby this form of security should be safeguarded by the State, not only to insure safety to policy holders by providing against the establishment of financially unsound companies, but also by securing a maximum of economy in working.

A Social Duty.

The development of civilisation has carried with it a national obligation to protect the weak. The degree of protection afforded to the disabled worker, to the poverty-stricken widow, and to the helpless orphan is the test of a community's standard of culture and humanitarianism. Poverty is the root-cause of most of the social and economic ills which aggregations of men are heir to; and in the competition of the nations, the race to win through inevitably will be that guarding its members from undeserved injury to the individual's bread-winning capacity.

Modern economists, everywhere, recognise that each industry should be made to provide against risks to health and life incurred by the people employed at it. An industry not financially strong enough to comply with this standard is not worth preserving; and the nation had better turn its attention to some more productive enterprise than to bolster it up by artificial means or to permit it to inflict a wrong on the community. Regarding wages and working conditions generally, an analagous principle has been recognised and acted on throughout Australia for the past quarter of a century. To permit any industry to annually throw upon society at large a crop of cripples, plithisical patients, widows, and orphans is to license a class of employers to sponge upon the community at the expense of everybody else, and to the irretrievable damage of the people. This is why insurance against accident and such industrial diseases as miners' plithisis must be made compulsory and must be paid solely by the employer.

Until a new Act was passed by the State Labour Government during the 1915 session, Queensland workers, and their dependants, were unprotected from the risks of employment. It is true that in certain instances employees, or their dependants, in the case of death, held a case at law against the employer. But the case at law often was not worth anything, because the

employer had neglected to insure the worker and was not himself possessed of money, or he had hidden his property in the name of someone else, so that when a verdict was given against him not even the costs of the action could be collected from him. And often, knowing its own strength and the financial weakness of the claimant, an insurance company would fight a fair claim to the last ditch, and in that way escape a just debt by paying a small fraction of the proper amount. Sometimes the companies were able to make compromises favourable to themselves and unfavourable to an injured worker, by paying down a lump sum, instead of a weekly amount as stipulated in the policy. The old Act provided that the maximum weekly amount should be £1 per week. As that was not nearly enough for a crippled man to support a family on, he would be ready to accept an absurdly small lump sum, thinking that with the latter he might acquire a little business or other means of livelihood.

Waste of Excessive Competition.

Insurance against accident, fire, and other risks has been needlessly and excessively expensive, as carried out by private enterprise. Returns officially furnished to the Government by the companies themselves show that, in the class of business the State is now engaged upon, every £33 10s. paid out to people making claims has represented £100 paid by insurers in premiums. Some years ago the municipalities of Victoria, deciding to launch an insurance scheme of their own, investigated their past payments and receipts over a considerable term of years, and they found that for approximately £3,000 paid to them they had paid the companies approximately £14,000 in charges. These anomalous differences represent what is nearly all so much waste which State management can entirely eliminate. They represent the cost of whole armies of competing canvassers, a huge multiplication of heavy city rents, the fees of a great number of overlapping and superfluous boards of directors, scores of clerks, most of whom could be dispensed with and employed profitably otherwise if the work were directed by one head and accomplished under one roof, stationery and office appointments used to only a small extent in serving the needs of insured persons and to a large extent in the strife of mutual and destructive competition.

This waste has now largely ceased. The State has engaged upon business previously occupying the attention of between forty and sixty private companies. And the State handles more business than all those companies put together ever handled, because industrial insurance is now compulsory, and no longer will the disabled worker find he has a claim only against the employer, and that the employer has no money with which to meet the obligation.

The Present Act.

The "*Workers' Compensation Act of 1916*" provides for the establishment of a State Accident Insurance Office. Fire and miscellaneous risks are now accepted, and ultimately life insurance will be taken up by the same office. The benefits of the Workers' Compensation Act now on the statutes are so numerous that not yet have they been thoroughly realised by the bulk of the people.

The maximum weekly allowance to be granted to a disabled worker has been raised from £1 to £2 per week. The amount payable in the case of death has been raised from £400 to £600, and for permanent incapacity from £400 to £750. The settlement of claims has been enormously expedited; and no one now stands to gain anything from contesting a fair claim for compensation. In the event of an accident occurring, the employer does not figure in the subsequent transactions, for he has no interest in them. The matter rests between the claimant and the Insurance Commissioner. The employer, having complied with the law making insurance compulsory, will have indemnified himself against loss, or, having failed to comply with the law, the State will prosecute him later. The first matter attended to is the payment of the amount due to the injured man or to his dependants. The amount of compensation for various injuries is fixed by a scale included in the Act, instead of being left to the judgment of a police magistrate as was provided in the old Act.

A further advantage which the new legislation has conferred on the community has been in the assistance rendered by the Public Curator in aiding in the settlement of workers' compensation claims. In a large proportion of instances, claimants, at no expense to themselves, have handed their claims to this officer, and he has represented them in effecting settlements. He also has acted as trustee for widows and orphans who, lacking business knowledge, preferred that some expert should invest the considerable sums coming to them from the State office.

This has greatly facilitated settlements, and has brought funds quickly to those who have stood in dire need of aid. Often a few minutes' conversation over the telephone between the Curator and the Commissioner results in a settlement and immediate payment of a claim, where otherwise weeks of correspondence and ultimate reference to a police magistrate would have been necessary. The expeditious manner in which claims under the Workers' Compensation Act are handled will have its counterpart in the machinery for the administration of the claims under miscellaneous, accident and fire policies.

Practically all employees receiving less than £400 per annum are included within the benefits of the Act. The operation of the previous Act was restricted to manual workers, but no such

limitation now exists; and domestic servants, together with casual employees, have been specially included.

The scope of the Act has been greatly widened, so that the worker may be compensated for injury received while proceeding to or from his place of employment, or whilst engaged in his work away from the establishment of the employer, such as at the task performed by a message bearer. Under the old law, the injured employee was given no power to apply for payment of a lump sum in lieu of weekly payments, though the employer held the right to make such an application. This disability has been removed; and the worker holds full right to ask for one payment in place of many.

Under the old Act, a company might enter into an agreement with its employees specifying benefits different to those provided in the law, thus contracting itself out of the liabilities which Parliament had intended to impose. All such dealings have been made illegal; and the Act further provided that schemes of this sort as were in existence when the Act came into force should be discontinued.

Procedure in determination of claims has been greatly simplified; and legal expenses are reduced to a small fraction of what they were. In the first instance, applications are allowed or rejected by the Insurance Commissioner. But, if the claimant is not satisfied with the result, reference is made to an Industrial Referee, whose decision is final, subject to right to appeal to the Supreme Court on matters of law, and of law only. In the event of such an appeal, the court is required to decide the issue without argument; and neither side is allowed to appear or to be represented before the court.

In order to provide for the payment of urgent claims to small amounts—and in cases of the illness or death of a family's bread-winner, claims often are urgent, though the amount involved may not be large—State Savings Bank officers are instructed to cash cheques drawn on the Insurance Savings Bank account, and signed by the clerk of petty sessions, to an amount not exceeding £10. This obviates delay in reference to the Insurance Commissioner. At the time of writing between seven and eight thousand claims have been dealt with in this way, relief being afforded in a few days, instead of perhaps many weeks, as was the old custom. With a good grounding in law, the clerks of petty sessions have carried out the work with so few errors that they may be treated as not existing. Not more than a score of complaints of delay have been received, and in most cases the origin has lain in the fault of the claimants. The private companies attempted to do no more than meet the requirements of the law. That a private company should voluntarily, and without extra remuneration, go out of its way to convenience a needy claimant, as it is the policy of the State to do, would have been

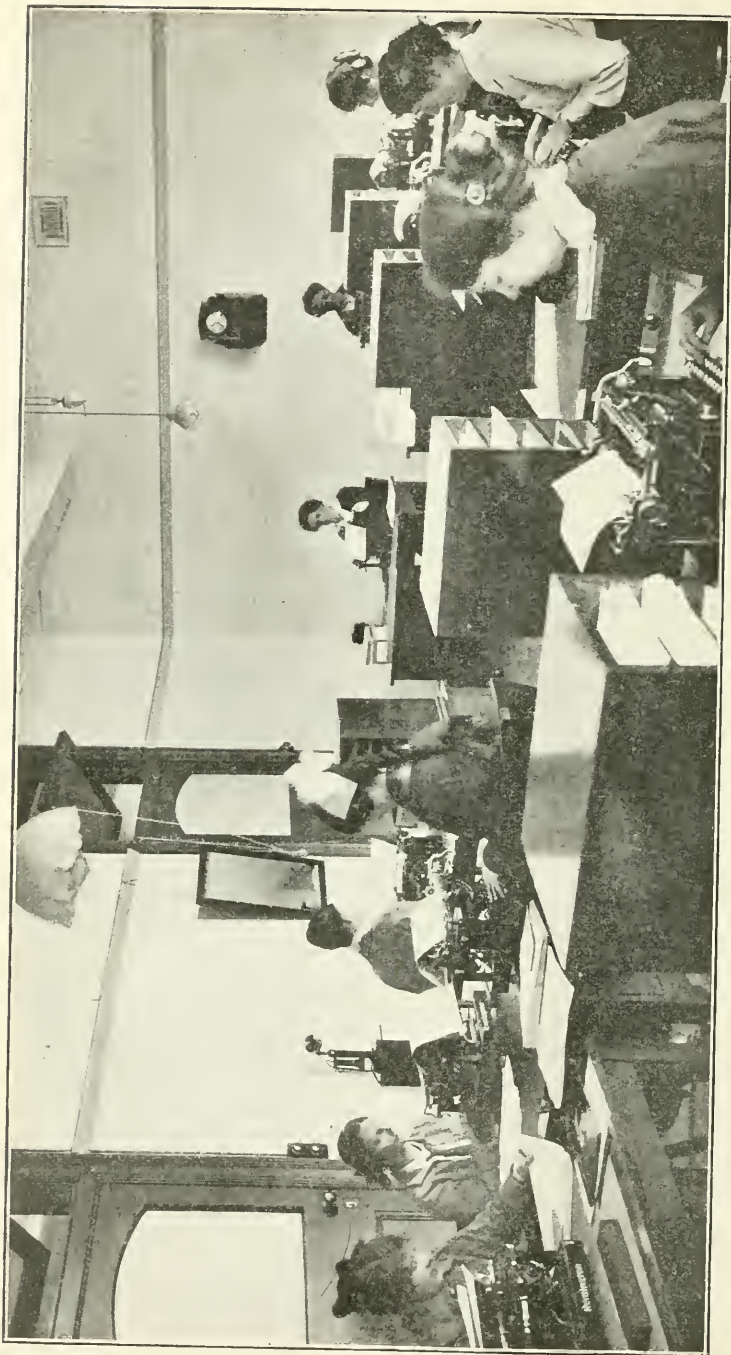
regarded as an unbusiness-like action. Private enterprise is not in business for philanthropic motives.

For the same premiums it was the practice for private companies to charge for this class of Workers' Compensation business, the State is now giving approximately double the benefits.

Benefits of State Monopoly.

The community would have benefited from the State entering the insurance business, even had the State created no monopoly for itself in accident risks. But the public gains have been enormously increased by the establishment of such a monopoly. Had there been competition, all the wastefulness incidental to competition would have been perpetuated, instead of being abolished, as now has been done. Advertising, canvassing and the unnecessary duplication and overlapping of a thousand and one activities would have gone gaily along, all the while falling on the shoulders of those who pay premiums, and ultimately on the workers and the consumers involved, who in the long run, between them carry every burden placed on industry. Already the State is giving double the return for money received, as compared with the past business of the companies; but those able to judge consider that the Government office will be able to improve even on this excellent achievement, so soon as the work settles down. The commercial community, in spite of habitual bias against State enterprise, is beginning to look forward to the time when the State office, in addition to having given twice the return for, say, £1 spent in premiums, will be able to materially reduce the £1. So rapidly has the whole business increased that the staff of the State enterprise has grown to a strength of 120 at the head office and branches. These are all kept very actively employed, and a great deal of extra work will be entailed by the administration of the "*Workers' Compensation Act Amendment Act of 1916.*" which came into force on 1st July, 1917.

The Commissioner is already accepting fire and miscellaneous accident risks at rates which work out at 20 per cent. below the gross charges of private companies prior to the establishment of the State office. The reduction might have been greater still had not the Legislative Council interfered in the framing of the Act, in the interests of private enterprise. However, as the State office intends dividing its profits among policy holders, the actual saving to the latter will be larger than the quoted 20 per cent. As a result of this healthful competition, some of the companies have expressed an intention of allowing the same bonus as the Government is doing, but, as a whole, they have not yet committed themselves to this policy. Should they do so, the credit for the improvement will properly attach to the Government enterprise.



TYPISTS' ROOM, STATE GOVERNMENT INSURANCE DEPARTMENT, BRISBANE.

It is, indeed, an illuminating instance of reactionary inconsistency, that the financial magnates, who have so strenuously opposed the insurance scheme as formulated by the Labour party, and who helped the Upper House to spoil the Bill, so as to lead to costly litigation, to confusion, and to delay in first bringing the plan into operation, should now assert, through the Chamber of Commerce, that the State should reduce their premiums because of their very economical management. Yet, had the Chamber of Commerce had its way, the State would now be in active and expensive competition with other companies in accident risks, and the double benefits, which the Act insists must be given, would have resulted in double premiums being charged. The words used some months ago by Mr. Bond, a well-known Brisbane commercial man, to the effect that rates should be "enormously reduced," appear as a curious reflection on the business acumen of himself and his class in previously paying the same rates to private companies for a tithe of the benefit now being received.

The fact has been that, while the Labour Government was fighting for State insurance, leaders in private finance said State insurance was an injurious and costly thing, and should be opposed inside and outside Parliament. Now that State insurance has been brought into operation, in spite of the unrelenting resistance of the same opposing interests, the latter declare that State insurance is a much better thing than was claimed for it even by the Ministers who formulated the scheme.

The financial benefits of the State scheme do not end with economy of administration and increased benefits to the insured. The State presents a greater degree of security than can be offered by the strongest company in the State. And sometimes the strength of the strongest company becomes put to a most unexpected test. An earthquake some years ago at San Francisco shook many wealthy corporations to their financial foundations. Private companies, with their reserves invested, as they must be, in real estate, are subject to financial depression and financial panic. Some such private companies absolutely failed to meet their liabilities at the time of the suspension of payment by Australian banks nearly thirty years ago. The funds of certain private companies have been improperly used by unscrupulous directors, and the stability of the largest, and what have been commonly regarded as the strongest corporations in the world, have been endangered in this manner. Notable instances occurred in America not many years ago.

The policy issued by a department of the State is subject to none of these risks, which not infrequently are the nearest when appearing most remote. All the real estates, bonds, and other property held by an insurance company, and known as an

accumulation of reserve funds, form but a small portion of the total wealth of the State they may be situated in. Therefore the State is stronger than the company. A whole must be greater than its part.

Reserve Funds.

In addition to all the arguments already used, there remains an important national reason for Government intervention in the field of all kinds of insurance. The practice of insurance has become so vast, and so colossal are the interests now involved in this form of investment, that no progressive community any longer can afford to leave unregulated private enterprise to dominate the field. In Australia, many tens of millions of pounds lie in the reserve funds of insurance companies. The investment of the money is attended by profoundly serious industrial consequences. Those investing such funds may give an almost electric acceleration to some particular industry which they think offers a sound security for money advanced. And another industry they may cripple by refusing to accept the machinery, the land, or other property engaged in it, as safe security for money lent. The man who controls the investment of insurance reserve funds resembles a gardener holding a hose over a drought-stricken flower-bed. Where he plays the water there comes life, strength, and prosperity; but death lingers on the skipped plot.

From an insurance company's view point this is sound financing. The insurance director stands as trustee of money belonging to policy holders; and the only consideration actuating his choice of investments lies in safety, coupled with a reasonable, if moderate, rate of interest. He is not supposed to serve national interests with the choice of such securities as would combine safety with national benefit.

How these factors operate is common knowledge; and the principles apply to the mutual offices as well as to the others. During a recent time of drought, when the scarcity of money for local purposes formed one of the most serious problems Australia was faced with, a large life office sent some millions sterling of Australian gold for investment beyond the limits of the Commonwealth.

Throughout all the States, insurance companies have preferred lending money on city property to any other form of security. The reason is not far to seek. Real estate in the heart of a capital does not fluctuate sharply and largely in market value. Such property is easy to value with a large degree of accuracy. In the event of foreclosure, a metropolitan building is easy for the mortgagee to manage without risk or trouble. The revenue is easily gathered by a rent collector; while repairs cost

but little on city properties, which are usually built of stone or brick. Very different is the management of some industrial undertaking. Engaged in the latter, the mortgagee, who has foreclosed, must sometimes procure reliable technical advice and may have to incur further risks. That is why investors of reserve funds choose the city property for a security, other things being nearly equal. Desire to avoid responsibility forms an important factor.

But the result on the nation's industry is altogether harmful. The current of money is checked flowing to where the nation most wants money—that is, to primary industry. A great deal, from time to time, is spoken and written about the congestion of people and capital in the cities of Australia; though it is rarely, if ever, mentioned that the cause more responsible than any other single factor for this evil lies in the attitude of investors of reserve funds. The owner of city property can always borrow money on his security; but the possessor of a country freehold or leasehold property frequently may do so only by paying a high rate of interest, or meeting some other additional handicap, which proves sufficient to cause him to abandon the developmental enterprise he would be glad to carry out, could he secure money on the same terms as he knows to be available to the possibly quite idle owner of a big city building. And the manufacturer, having less real estate to offer as security, finds it even harder to borrow money than the pastoralist or agriculturist does.

To give such power over what will soon become a very considerable and rapidly growing proportion of such reserve funds is not the smallest of the public gains ensuing from the establishment of a State Insurance Office.

Economy in Management.

An argument which the companies raised against the State enterprise was that no single office could handle the whole of the workers' compensation work for the whole State. The answer to that is that the State office, under the guidance of the Commissioner, has issued forty thousand policies of this nature, and that, of these, twenty thousand were issued in the first month of operations. Claims have been settled with equal expedition.

Naturally the insurance companies are up in arms against a State enterprise which is so successfully competing with them in fire and miscellaneous business. They are endeavouring to persuade business people to have nothing to do with the Government office, on account of their allegation that arguments and delays will probably occur in the settlement of claims. But this suggestion is not likely to carry much weight with employers who have had experience of the much more rapid methods of the

State in handling workers' compensation claims, as compared with the practice under the old Act when private companies were allowed to handle that class of risk.

The only flaw in the working of State insurance in Queensland appears to be that the Act requires amendment in order to a little more clearly define the position of the so-called "contract worker." Many employers have neglected to insure their "contractors," in spite of the fact that the Supreme Court has ruled that, where the substantial contract is for the supply of labour, the contractor then is a worker within the meaning of the Act.

Broadly, in accomplishing what it has done, the Labour Government has placed the relief of the widow, the orphan, and the suddenly destitute beyond the caprice of private enterprise and into the domain of the administration of a department the prime object of which is to serve the interests of the whole people humanely and in accordance with the requirements of advanced public policy. The widows and the children of the future will learn to bless the institution which has done so much to, at least, lighten the blow of sudden bereavement by taking away the complication of immediate poverty and sometimes even semi-starvation.

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CHAPTER 14.

THE PUBLIC CURATOR.

The office of the Public Curator—or Trustee—was established by the Queensland Government during 1915, and began operations with the opening of the year 1916. The State was able to reap advantage from legislative action having been so long postponed, for the experience of other countries enabled the framing of legislation which provided machinery so comprehensive and efficient as to afford a most complete instrument of public utility and beneficence. The functions of the office are many; but the main object aimed at has been to secure to beneficiaries in estates complete safety in the investment of funds, coupled with a State guarantee of wise and sound administration, as well as to furnish prompt aid and unimpeachable advice to such people as widows and children who, suddenly finding themselves bereft of a breadwinner and protector, may be devoid of business experience, temporarily destitute of ready money, and form easy victims to the dangers of bad advice or self-interested and possibly unscrupulous influences.

Parliament has entrusted the Public Curator with unusual powers; and the Legislature, because of the public and detached nature of that official's position, has greatly simplified legal

processes and reduced charges in connection with estates which he handles. Already the public has demonstrated its appreciation of these advantages and its confidence in the administration, for during the first eleven months of operations, the Public Curator was made sole executor in two thousand estates, ranging in individual value up to £60,000, and aggregating about £1,500,000.

Increased Safety.

In the matter of safety, the beneficiaries of trust estates in Queensland have never before been protected in the matter of the safety of their funds to the same extent as they are by the legislation creating the office, as it now exists, of the Public Curator. Trustee companies may be efficiently managed and may be financially as solid as the proverbial rock, so far as private companies go; but the strongest company in the State is but part of the State. It has been rightly claimed that the Public Curator is the State. He is responsible to Parliament, and Parliament is warranty of his fidelity. He never dies, never leaves the country, can always be found, cannot become insolvent, and cannot speculate with or improperly use trust moneys.

When the Public Curator is appointed trustee of an estate, and the investment of funds is left to his discretion, the payment to the beneficiaries of every penny of interest and capital is guaranteed by statute. The capital is invested in securities fixed by law, and it bears interest after passing into the Curator's office until the day of the distribution of the capital among those to whom it belongs. The capital belonging to estates managed in this way is paid into a common fund, from which investments are made. Thus the investments are liquid, no particular amount being earmarked for any special estate.

The office of the Public Curator is used for providing increased security to beneficiaries in estates which are managed by private trustees. On application by or on behalf of any beneficiary or trustee, the condition and accounts of any privately administered estate may be examined by the Public Curator or by some person appointed by him. The fee for doing this is fixed by the Public Curator, with the concurrence of the private trustees, or, in the case of disagreement, by the Minister for Justice.

Greater Efficiency.

The creation of the Public Curator's Office necessarily makes for increased efficiency in handling trust estates. A staff of officials having so large and so steadily increasing a total of funds for investment and management, in the nature of things must become expert and highly specialised. In addition, the Department holds advantages on account of being a branch of government administration. An officer holding no personal interest in

estates under his control, and whose fidelity and competence are guaranteed by the Crown, may be endowed with wider powers and more discretion than would be safe in the case of trustees whose only recommendation is that they have been selected by the original owner of the property placed under their control.

On occasions, great distress is avoided to people suddenly bereaved, and others, by the Public Curator being empowered to advance moneys on account of estates in which there are not sufficient ready funds to meet the pressing needs, perhaps, of widows and orphans.

The highest rate of interest that can be secured consistently with safety is allowed to the estates, and this is returned free of all charges for collection of interest. The rate is fixed by the Governor in Council; and at the time of writing it is $4\frac{1}{2}$ per cent. for the first £6,000 and $4\frac{1}{4}$ per cent. on any amount in excess of that maximum on funds held for investment.

The Public Curator acts for persons advancing claims against the State Insurance Office under the Workers' Compensation Act, and the lowest reasonable charge is made for such services. The settlement of claims is greatly expedited in this way, a few minutes' conversation over the telephone between the two departments frequently resulting in the immediate payment of sums which, under the old system, would occupy weeks in settling.

The Public Curator discharges all the duties that may, by will or deed, be imposed upon a private executor, trustee, attorney, or agent. He may be appointed executor. Anyone desirous of nominating an attorney to execute documents, manage property, collect rents during the absence of the owner, or for any one or more of several other purposes, may appoint the Public Curator. Where private executors are appointed under a will, they may appoint the Public Curator to take their place. Every member of the office staff and every agent is bound to secrecy by declaration under the Oaths Act.

The testator of an estate may appoint the Public Curator to act with an advisory trustee or trustees whom he names. In such cases the trust property is vested in the Public Curator, and he has its sole management and its trusts, but he may consult with the advisory trustees. If differences of opinion arise, the Supreme Court may be asked to decide the matter, and its decisions are binding.

Abolishing Charges.

Estates placed in the hands of the Curator are administered more cheaply than those managed by private individuals. This is not always the fault of the latter, but results from many of the formalities required by courts in the case of private trustees being dispensed with when the Public Trustee is

acting. Being a public officer, whose integrity is guaranteed by statute, these restrictions would be superfluous if made to apply to him. His powers are much larger than are those of other trustees, and in his discretion he may do things that would require, in the case of others, all the expenses of obtaining a court order. This is particularly the case when there is a widow and children whose interests have to be looked after, or where, for the purpose of improving or protecting an estate, property should be sold, mortgaged, or exchanged.

The discretionary power thus conferred, and the absence of compulsory formalities, save considerable expense and much delay. Orders of a court are required in but a small fraction of the cases where they would be needed were the same estates controlled by private trustees. In private trusteeships, death or absence necessitates the preparation of expensive deeds which are not required when the Public Curator is acting. Moreover, legal advice is always available without expense to the estates concerned.

The draft of any will, deed of settlement, or power of attorney appointing the Public Curator executor, trustee, attorney, or to an analagous position will be examined by the Official Solicitor free of charge, and alterations are suggested in such instances as that officer deems them to be advisable. Also, wills and powers of attorney, appointing the Public Curator, are prepared without charge. Any person may deposit with the Public Curator for safe custody his will or any instrument, debentures, or other documents of title.

Economy is achieved by utilising the machinery of the State Savings Bank and that of its branches for making and receiving payments, thus saving exchange charges.

When the Public Curator acts as trustee of an estate, no law costs are incurred in proving the will, or obtaining letters of administration, or passing succession accounts. The general fees involved in the administration of an estate by the Public Curator are fixed by regulation. Anyone, before placing his estate in the Curator's hands, may ascertain exactly what the costs will amount to. No special charge is made for correspondence, consultations, or services of similar kind, irrespective of how intricate or important may be the matter being dealt with. None of the charges of the office are based on an effort to make profit, but merely to insure the Department against loss in the expenses of working. As the volume of business increases, as already it is doing so rapidly, these fees will decrease. In this, as in other recent extensions of the function of government, the object striven for is to provide a public service without undue cost to the general taxpayer, but without material gain to the public Treasury.

Unusual Powers.

Among unusual powers held by the Public Curator are some of direct and substantial benefit to certain individuals, and others of value to the community as a whole. Among the latter is a special provision enabling him to deal with lands and other property the owner of which cannot be found. He can let property on lease, make repairs, pay rates and charges, or clear encumbrances. Individuals may be greatly assisted by the power the Public Curator holds regarding unclaimed property, by which he may, except in the case of lands, sell the assets and apply the proceeds to the maintenance of a wife, husband, children, or other heir or heirs of the owner. If the value of the land is less than £100, it also may be sold under the same power. If the land, or its sale proceeds, are not claimed by the owner within twenty years, and if they have not been disbursed in the manner already mentioned, they become the property of the Crown. Moneys derived from unclaimed property pass into the Unclaimed Moneys Fund, and the owner may claim them at any time on his establishing his title thereto as provided by the Act.

The Public Curator lends money on first mortgage of freehold lands, either in towns or in the country, at the lowest current rates of interest, whilst liberal terms of repayment of principal are allowed. Considerable public benefit is likely to accrue from the large volume of capital available from time to time for investment purposes out of the Public Curator's Common Fund.

Another instance of the unusual powers possessed by the Public Curator, a power, moreover, conferred upon no other trustee, is that of making periodical or other payments towards the maintenance, education, or advancement of infants. Where any property is held in trust for an infant, the Public Curator may apply not only the income of the share of an infant in such property for its benefit, but may apply the corpus of the share to the extent of £500. The maximum amount that a private trustee may advance out of an infant's share, without an order of Court, is £200.

Legal Aid.

The Public Curator may also render to any poor person, accused person, or other person of poor means, aid in any legal proceedings either by or against such person. This provision brings the protection of the Courts of Justice within easy reach of those members of the community who do not possess the means to employ counsel to fight their cause, and who, without this provision of legal aid, might be compelled to suffer an unrequited wrong.

Estates of Convicts.

The real and personal property of any person who has been sentenced to death or who is undergoing a sentence of imprisonment for a term of three years or upwards, vests in the Public Curator, who has absolute power to let, mortgage, sell, convey, and transfer any part of such property as he thinks fit, to pay the convict's liabilities and to provide for the maintenance of his wife and children.

Scale of Rates.

Under the regulations obtaining at the time of writing, the undermentioned charges are payable to the Public Curator in respect to the matters mentioned. These are likely to be reduced, as already indicated, when the continuance of the present rate of increase of business has reduced the proportionate cost of administering individual estates. It is provided that where the Public Curator is custodian trustee or co-trustee the charges under (a), (b), (c), (f), (g), (h), and (k) are reduced by one-half in cases where the private trustees claim and receive commission from the court.

- (a) Upon the gross capital of any testate estate (or any other estate with respect to which charges on realisation are not hereinafter specifically provided for) realised by the Public Curator—

On any sum up to £25,000	..	..	..	..	£2½ per cent.
On all in excess of £25,000 up to £100,000	..	..	..	..	£1½ per cent.
On any sum exceeding £100,000	..	..	..	..	£1 per cent.

This charge is payable on realisation.

- (b) (1.) Upon such of the capital of any estate realised by a former executor, trustee, or administrator, or person acting in a fiduciary character, as becomes vested in the Public Curator on the original Trusts; and (2) upon such of the capital of any estate as is cash in the hands of the Public Curator at the time when the estate is vested in him £1 per cent.

The charge is payable at the period of distribution.

Minimum charge	£2
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- (c) In the case of a deed of trust or of a settlement, antenuptial or otherwise, where the trust property consists solely of cash—upon the capital sum £1 per cent.

- (d) In the case of any estate in which the Public Curator is acting as attorney, agent, receiver, or receiver and manager, the charge on the gross capital shall be as arranged between the Public Curator and his principal, or otherwise agreed on, or as allowed by the Court. Where no charge is so arranged or agreed on or allowed the charge shall be the same as under (a).

No charge shall be made where the capital is held in the common fund on an investment agency.

- (e) Upon the capital of intestate estates or estates under "*The Insanity Act of 1884*" realised by the Public Curator—

On any sum up to £400	.. .. .	£5 per cent.
On the next £9,600	.. .. .	£2½ per cent.
On all over £10,000	.. .. .	£1½ per cent.

The charge is payable on realisation.

Minimum charge under (e) and (d) £1

- (f) On compensation money due in respect of the death of a worker received by the Public Curator under any Act—

On so much thereof as is payable forthwith to the person entitled	.. .. .	£1 per cent.
On workers' compensation money recovered by the Public Curator for any claimant	.. .. .	£2½ per cent.

- (g) On money or damages received by the Public Curator under section 51 (2) of the Act—

On so much as is payable forthwith to the person entitled	£1 per cent.
On so much thereof as is held and administered	.. .. . £2½ per cent.

- (h) Upon the gross income received by the Public Curator in respect of any estate or as attorney, agent, receiver, receiver and manager, or otherwise the charge shall be as arranged between the Public Curator and his principal or otherwise agreed on or as allowed by the Court. Where no charge is so arranged or agreed on or allowed, the charge shall be as follows:—

On the first £2,000 per annum	.. .. .	£5 per cent.
On all over £2,000 per annum	.. .. .	£2½ per cent.

Provided that on all interest from mortgages, debentures, Treasury bills, and bank deposits the charge shall only be £2½ per cent.

No charge shall be made in respect of income derived from capital in the common fund.

- (i) Upon unrealised real or personal property (not being cash) transferred or delivered in kind to any person entitled thereto, being a devisee, legatee, next-of-kin, *cestui que* trust, beneficiary, or other person of a like character, but not including a person entitled as principal under any power of attorney or agency, upon the value of such property as fixed by the Public Curator—

Up to £10,000	.. .. .	£1½ per cent.
On all in excess of £10,000	.. .. .	15s. per cent.
Minimum charge	.. .. .	£2

- (j) For resealing foreign probates or administrations, or obtaining a fresh grant thereof on behalf of foreign executors or administrators, where the Public Curator accounts to them and does not himself administer the local estate—

Where the value of the local estate is not more than £250	£2 2s.
Where the value is over £250 and not more than £1,000	£3 3s.
Where the value is over £1,000	£6 6s.

- (k) Where assets outside the State of Queensland are received by the Public Curator, as principal administrator, by grant or any authority—On the capital received or realised £1½ per cent.

- (l) For the Public Curator's functions in respect of the investigation and audit of any private estate £3 3s. to £10 10s.

This charge is exclusive of the cost of court proceedings and auditor's fees.

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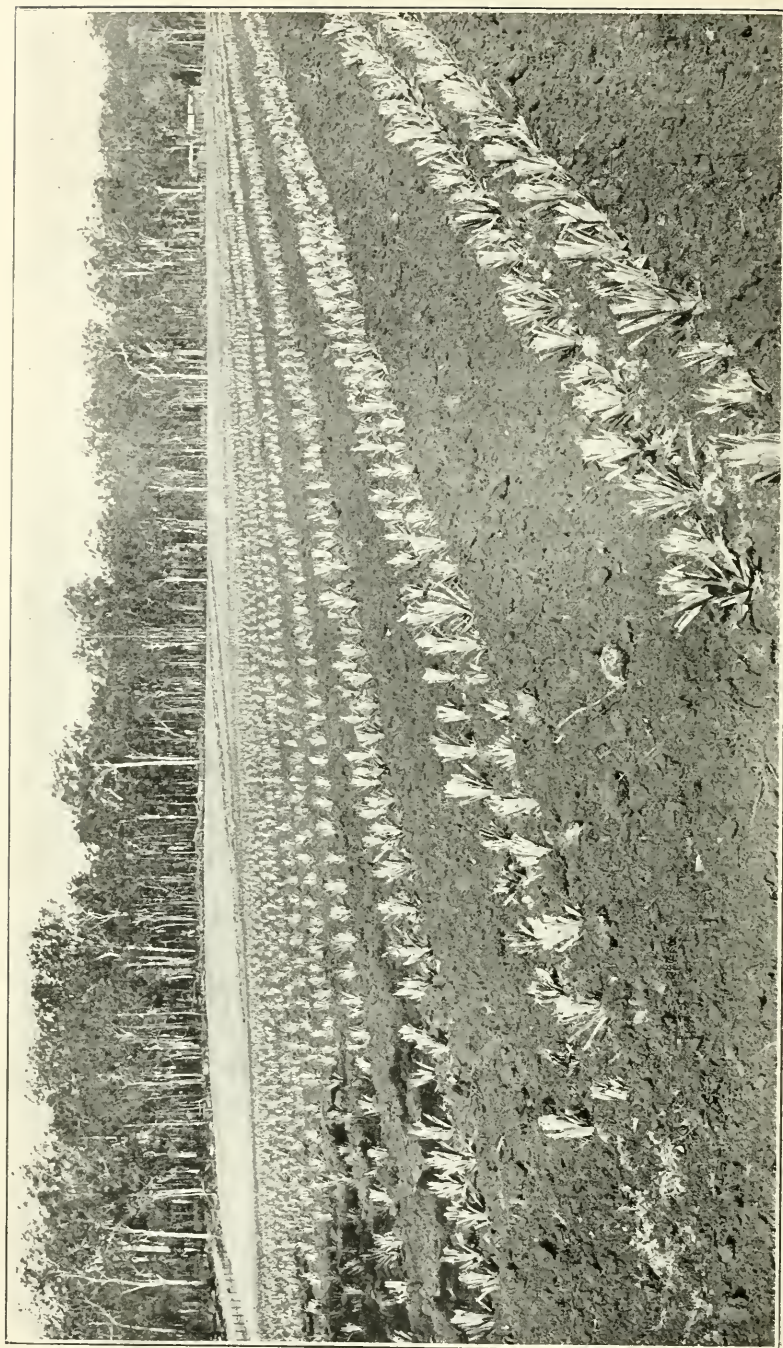
CHAPTER 15.

THE STATE SAVINGS BANK.

The "*Queensland Government Savings Bank Act of 1916*," which came into operation, together with regulations, on 1st January, 1917, widened the functions of the institution with which it deals. It brought within the scope of the Commissioner's powers the control of machinery for advancing money to settlers under special terms, and for providing workers with homes under easy conditions of payment.

The Bank is managed for the primary objects of helping citizens—

- (1) To save money;
- (2) To purchase, develop, and stock farms; and
- (3) To build homes.



PINEAPPLE SUCKERS ON THE BEERBURRUM SOLDIERS' SETTLEMENT.

Prior to the beginning of 1917 these three State activities, as represented above, were separately managed and regulated under distinct Acts of Parliament. By consolidation, the Act of 1916 achieved co-ordination of management, and widened the scope of the benefits accruing to the general community, and more particularly to the wage-earner, with whom either saving money or acquiring a home proves a tedious, if not an impossible, task, except with the aid of a State institution framed for the special purpose of affording him assistance. The aid offered to settlers had previously been made available through the Agricultural Bank. It achieves the national purpose of stimulating the development of primary industry, besides bringing within the reach of many men, to whom wage-earning would otherwise be the only career open, facilities for establishing productive holdings of their own.

To Promote Saving.

The Bank encourages saving by paying interest on deposits as small as £1, and as large as £1,000. An account may be started with a single shilling. The present rate of interest is $3\frac{1}{2}$ per cent. per annum, free from State income tax; and the safety of all deposits is guaranteed by the Crown. No charge is made for keeping accounts. Withdrawals up to the full amount at credit may be made on demand at the branch at which the account is kept. At any other branch withdrawals of sums up to £10 are allowed on demand, and of larger sums in the usual course of post or telegraph.

Advances to Settlers.

The Commissioner may advance a settler up to £1,200 on the security of his holding for the purposes of clearing off liabilities on the property, making permanent improvements, purchasing stock, machinery, and implements, or for unspecified purposes (up to £400), subject to the security offered being satisfactory. Advances are made up to 15s. in the £ on the value of the whole security, but advances for certain improvements are also made at 20s. in the £ on the value of such improvements. An inspection fee of £3 is payable on each first application, of which £1 10s. is refunded if the application is unsuccessful.

Loans are made for periods not exceeding twenty-five years, interest being charged at the rate of 5 per cent. per annum. For the first five years only interest need be paid, and, after that, both interest and principal are paid off by half-yearly instalments of £4 0s. 3d. for every £100 borrowed.

Workers' Dwellings.

The Commissioner may advance to the owner of a piece of land, the holder of a miner's homestead lease or residence area under the Mining Act, or of a town or suburban perpetual lease, whose income does not exceed £200 per annum, money to enable him to build a home, or, after he has built a house under the provisions of the Act, to enlarge or improve it. The maximum amount to be so advanced is £350, and the loan must not represent more than 75 per cent. of the whole security, as constituted after the amount of the loan has been spent upon it. The interest charged is 5 per cent. per annum, and the principal and interest are paid off at the rate of 13s. 3d. per month for every £100 advanced. the term of the loan being twenty years. The house is constructed under the supervision of representatives of the Bank; and the use of inferior material or inferior workmanship is not permitted; but the borrower may have the designs drawn according to his own taste. An inspection fee of £3 is payable, half of that amount being refunded in the case of unsuccessful applications.

The General Policy.

In discharging all three functions, the management of the Bank strives to provide a public service at the lowest charge consistent with the cost of administration being met and the general taxpayer being protected from loss. All necessary fees are framed on the lowest possible scale, and the best technical advice and assistance is afforded to those availing themselves of the benefits the institution has to offer. The large volume of business passing through the hands of the Commissioner facilitates the employment of highly specialised assistance which results in moneys advanced being spent to the greatest advantage of the borrower, as well as with a maximum of security to the State.

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CHAPTER 16.

REPATRIATING SOLDIERS.

Owing to the quantity of available land in Queensland, the State Government has been able to render exceptionally valuable service to the repatriation work of the War Council. No other State of the Commonwealth, with the possible exception of West Australia, had retained unalienated such large areas of country suitable for successful closer settlement.

The following table shows the position, in this respect, in each of the six States at the end of 1913, the last year prior to the war:—

State.	Land alienated, per cent.	Land in process of alienation, per cent.
West Australia ..	1.25	2.22
Queensland ..	3.74	2.34
South Australia ..	4.28	0.84
New South Wales ..	20.11	9.51
Tasmania ..	30.09	7.68
Victoria ..	42.68	12.73

With the single exception already quoted, the unexploited resources of Queensland were incomparably greater than those of other States. The quantity of good land which could be made suitable for soldier settlements in this portion of the Commonwealth is limited only by the practicability of constructing means for transport into virgin regions.

Aid to the War Council.

Immediately that body was formed, the Cabinet extended earnest and successful co-operation to the efforts of the War Council. The latter body is distinctly non-political; and its committee and numerous subcommittees contain men of varying economic beliefs, who are banded together for the sole object of assisting returned soldiers. The whole of the salaries and office expenses involved in working this body have, up to the present, been borne by the State Government. Whilst those in control give their services without remuneration of any kind, an average of about twenty clerks and other employees are kept continually busy; and the expense to the Government totals about £75 per week. A large number of the applicants for assistance are anxious to go upon the land. These are taken in hand by the Land Settlement Committee of the War Council. The Hon. J. M. Hunter, Minister for Lands, is chairman of this committee; Mr. Gordon Graham, Under Secretary for Public Lands, vice-chairman; and Mr. Hunter's private secretary, Mr. Adams, is secretary. Land is found by the Lands Department for men whom the committee consider likely to succeed at horticultural or agricultural enterprise; and they are financed by the Government. Having been passed as suitable by the committee, the Government undertakes all further responsibility of finding the returned men holdings, training them in the technique of the particular branches of primary industry to which their respective farms may be most suited, and advancing up to £500 in each instance where it may be needed.

Land Available.

The following areas already have been set aside by the Lands Department for the sole use of returned soldiers:—

Locality.	Area.	Purpose Intended.
Beerburrum ..	60,000 acres	.. Pineapple and other fruit growing
Stanthorpe ..	17,000 acres	.. Growing deciduous fruits and farming
Oswald's Track (In-nisfail district of North Queensland)	157,300 acres	.. Sugar growing, citrus fruit growing, dairying, and mixed farming
Sunnybank and neighbouring areas	218 acres	.. Brisbane suburban homes, each of $\frac{1}{4}$ acre

In addition to the above, isolated blocks scattered over the State are made available to returned soldiers as required. Many of the men desire to settle within districts they know and which contain their friends or relatives. Whenever considered in the permanent interests of the men themselves they are met in this respect. When land is thrown open, returned soldiers are given the preference. Others are not eligible to become selectors until the land has lain for two months without being applied for by a discharged Anzac. Whenever the department decide to throw a block open wide publicity is given to the fact.

Starting the Settlements.

Beerburrum was the first soldier settlement on which men have been placed on their holdings. The scheme adopted there is to be extended to the other group settlements.

A training farm has been established at Beerburrum. The approved applicants for holdings first take up their residence at the Training Farm. Here they receive technical instruction in the form of industry to which the land is suited. The men work in gangs, and they divide the country into holdings, and the latter are cleared and put into such a condition as to be productive soon after the selector takes up his residence. An area of 5 acres in each farm is planted with pineapples.

While the men are working on the training farm each is paid £2 per week, and is kept. If they are disposed to save, the men need not spend any money. The manager of the Training Farm liberates a man as soon as he considers the latter competent to manage and work his own holding. The latter then ballots with others, who also are on the point of leaving the Training Farm, as to which particular block each shall get. The men are permitted to exchange blocks if they wish to do so. The cost of the upkeep of the Training Farm is shared in equal proportions between State and Federal Governments.

When on his block the selector may draw up to £500 against improvements which he establishes, less the value of work carried out on the block before he took it up. The manager of the Training Farm continues advising the settler on technical points as to his work, and will assist him with work which can be accomplished more expeditiously by a gang than by a single pair of hands. Farm horses are lent from the Training Farm to the men. This aid is designed to finance the selector until his holding shall become revenue producing. As he builds a house or constructs a fence he may draw in weekly sums, in the form of a loan, up to the full value of the work he performs until he has exhausted his limit of £500. If he has spare time, and desires to supplement his income, he is given outside work, at current wages, by the manager of the Training Farm.

A Government store is being established at Beerburrum. This is not being managed to make profit, but for the purpose of enabling the men to spend their money at the maximum of benefit to themselves. The store is expected to provide a living for a returned soldier and to pay for itself, both of which objects may be attained by selling goods at a small advance on wholesale prices. A branch of the State Savings Bank will be established in connection with the store. An agency of the State butchers' shop has been provided, and a branch shop will follow, and other Government businesses will be started as required in the interests of the men.

The Government has sent Mr. Rose, the general supervisor of soldier settlements, together with an expert, to America to acquire technical information of a nature to aid in the successful establishment of a canning factory which will enable the selectors to place their fruit on the markets of the world. The expense entailed in constructing and operating the factory will be borne by the Government, as are all the outgoings involved in the supervision of the settlements.

The Results to Date.

More than six months have elapsed since the first blocks were selected at Beerburrum by returned soldiers, and the men have all held to their farms and speak enthusiastically about their prospects. Many are marrying, and most have come to regard their blocks as permanent homes. The group settlement scheme adopted yields social benefits far too frequently conspicuous by their absence as a feature of Australian bush life, and warmly appreciated by those of the men who lived rural lives before their enlistment. Though a substantial proportion of the applicants had far from recovered from wounds or sickness at the time of entering upon the work of the Training Farms, they have

speedily benefited from the healthful open life; and the hopeful outlook before them has roused their ambitions in a manner inspiring the utmost endeavour being thrown into their activities.

The methods applied to the other group settlements will be similar to that at Beerburum, with such variations as differences in local natural conditions may render advisable. The wide area at Oswald's Track contains a vast extent of land of great fertility and a heavy rainfall, but varying in the purposes to which it is best suited. Some of it is essentially sugar land, whilst other portions are more adapted to dairying and mixed farming. The 17,000 acres lying about 15 miles from Stanthorpe is on a plateau some 3,000 ft. above sea-level, and is characterised with the most bracing climate in the State. This locality is already notable for the excellent quality of apples, pears, and other fruits of temperate zones grown there, some 5,000 acres being profitably under orchard at the time when the war broke out.

The Government has set aside 200 square miles of excellent cattle country to be worked as a station for repatriation purposes. This holding is stocked with cattle from time to time presented to repatriation funds by private donors. The Government considered that the gift stock could be turned to better advantage by being maintained and bred from rather than by being sold or slaughtered.

Conditions of Settlement.

The following official statement of the terms and conditions under which discharged soldiers may become farmers and horticulturists has been issued by the Lands Department:—

“Under the provisions of the recently passed Discharged Soldiers' Settlement Act, the Minister has power to set apart any Crown land for the purpose of soldier settlement. Up to the present, three large areas have been so set aside—viz., Beerburum, Pikedale, and Oswald's Track.

“At Beerburum, situated on the North Coast Line about 40 miles from Brisbane, an area of about 60,000 acres has been reserved, and about 20,320 acres of this have been designed into 436 portions from 20 acres upwards, and the balance is being subdivided into further suitable areas. Clearing and improvement works are being carried out, and the portions are being allotted to discharged men as the work advances. The principal industry on this area will be pineapple growing, but other farming pursuits, such as poultry-raising and bee-keeping, will be carried on. Twenty-three returned soldiers have already been allotted portions. On several of the portions allotted, 3 acres have been cleared and planted with pineapples; on others a similar area has been cleared and ploughed and made ready for the planting. Clearing operations are in progress on other portions. It is the intention to clear and plant with pineapples

3 acres on each soldier's farm. A training farm has been established at this settlement for the purpose of instructing men who have not had any previous experience on the land. It is also proposed to erect a canning factory to deal with the surplus products that may not be absorbed by local markets. A general store is now in course of erection on the settlement.

“About 17,000 acres in the parish of Pikedale, situated from 8 to 14 miles west of Stanthorpe, have been similarly set aside, and surveys of 138 portions, comprising 4,368 acres, have already been made, the portions ranging in area from 18 to 75 acres. This is good orchard land and is well adapted for growing apples, pears, peaches, plums, and other stone fruits. Five acres on each block are now being ringbarked preparatory to clearing. Some road improvement works through the surveyed portions have already been done, and fresh works will be undertaken later on. An area is being retained as a nursery, and 20 acres have already been cleared for that purpose. It is also proposed to erect a cannery on this settlement.

In the Innisfail district, North Queensland, an area of 157,300 acres, known as Oswald's Track country, is also specially retained for soldier settlement, and surveyors are now at work subdividing this land into dairying, agricultural, and sugar-cane farms. Already 5,865 acres have been designed into 48 portions, ranging in area from 80 to 160 acres.

“The Act also empowers the acquisition, either by agreement or compulsorily, of any land, and the setting apart of such for soldiers. This power will be exercised in any district where there is no suitable Crown land available, and where a demand exists for farming land and sites suitable for the erection of soldiers' homes. Already notice has been given for the resumption of 125 acres at Sunnybank, on the South Coast Railway, 9 miles from Brisbane. This land is well adapted for small fruit and poultry farms and for soldiers' homes. Further areas in the vicinity of Brisbane are being reported on with a view to similar action being taken.

“The above-mentioned lands will all be dealt with under ‘*The Discharged Soldiers' Settlement Act of 1917.*’ A ‘discharged soldier’ includes any person who has been a member of the Australian Imperial Forces or of any of the Naval or Military Forces of the Commonwealth raised for service in the present war, or has joined the Forces of the United Kingdom during the war, and who has received an honourable discharge. The term may be extended so as to include members of His Majesty's Forces during the present war from any part of the British Empire, or members of the Forces of the Powers in alliance with His Majesty in the present war who have received their discharge before their arrival in Queensland. The term also includes the

dependants of any such soldier in the event of his death before he received his discharge, or at any time within a period of twelve months after he has received an honourable discharge.

“The country lands will be made available as Perpetual Lease Selections, and the town and suburban lands as Perpetual Town and Suburban Leases. The conditions attaching thereto are as follow:—

“No deposit is required to be lodged with the application to select, nor is any rent or survey fee payable during the first three years of the term of lease. The survey fee is payable in ten equal annual instalments without interest, commencing at the fourth year of the term. From the fourth to the fifteenth year the annual rent shall be $1\frac{1}{2}$ per centum of the capital value of the land. The annual rent for each succeeding period of fifteen years shall be determined by the Land Court. The Minister has power to remit any rent or to postpone the date for the payment of the rent. The selector must perform continuous and *bonâ fide* personal residence on his selection during the whole term, but the Land Court may suspend such condition for six months in any year. The selector need not commence to perform residence until two years after the commencement of his lease. Within the first five years of the term the selector must enclose the land with a good and substantial fence, or effect other improvements equal in value to the cost of such fencing. The improvements must be commenced not later than twelve months from the commencement of the term. The selection cannot be transferred during the first five years, nor is it capable of being transferred for a further five years, except to another qualified discharged soldier. However, in the case of the death or insanity or incapacity, owing to illness, accident, or misfortune, of the selector at any time during the first ten years, the selection may be transferred to another discharged soldier.

“Further small areas in various districts are also being specially reserved for discharged men, and opened for selection, with priority of application, to them under the ordinary group selection provisions of ‘*The Land Act of 1910*’ as Perpetual Lease Selections. The terms and conditions are similar to selections under the Discharged Soldiers’ Settlement Act, except that personal residence is required during the first five years only, after which the selection may be transferred to any qualified person. Furthermore, the selector must deposit a year’s rent and one-fifth of the survey fee with his application to select, and must pay the balance of the survey fee in four equal annual instalments. Rent is also payable during each year except the second. After securing a block under this system, the soldier may, if he so desires, have the selection brought under the operation of the Discharged Soldiers’ Settlement Act. An area of 51,549 acres,

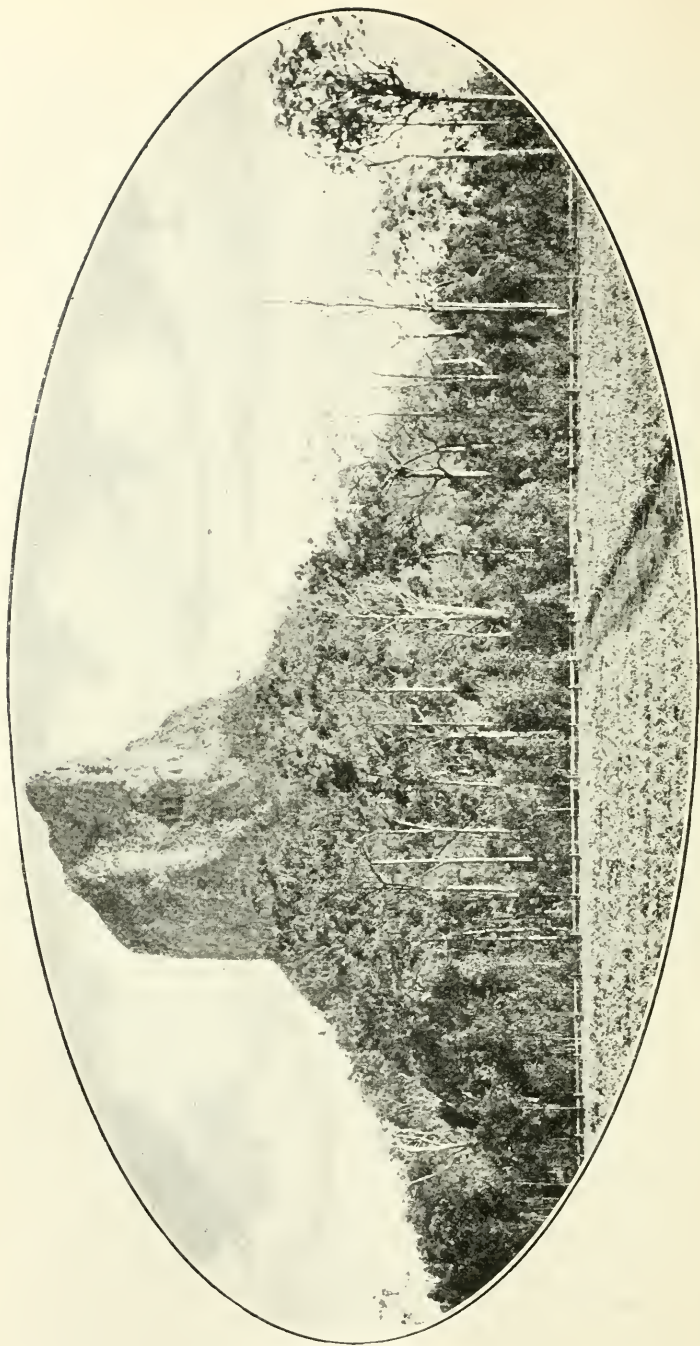
subdivided into 186 portions suitable for agriculture, dairying, &c., has been made available under these conditions. So far, 70 portions, with an aggregate area of 36,500 acres, have been allotted. Further areas adapted for the purpose will be dealt with from time to time. With this object in view the various Land Commissioners have been instructed to report on suitable Crown lands in their districts, and upon reserves which may no longer be required for the purpose for which they were set apart. Several of these areas have already been reported on and are now being dealt with, the preparatory action being taken to make the land available for settlement. The officers are consulting Local Authorities, War Councils, &c., and endeavouring to secure their co-operation and assistance in the matter.

“Information has been supplied to soldiers still on active service at their own request, and to relatives of other men at the Front who have signified their intention of settling on the land when they are discharged.

“When land is open for general competitive selection under the ordinary provisions of the Land Act, except in the case of land open under the grazing selection tenure, an application lodged by a discharged soldier is given priority over other applicants.

“Every effort is being made to provide suitable and sufficient areas for the returned men, and ample provision will be made for their settlement on the land in this State as they are discharged from time to time, and at the termination of the war.

“Advances may be made at £1 for £1 by the Commissioner of the Government Savings Bank to discharged soldiers for the purpose of making improvements on the land and for erecting workers' dwellings, &c. The maximum amount that may be so advanced is £500. Any sum expended by the State in clearing or effecting permanent improvements on the land in anticipation of settlement shall be deemed to be an advance by the Bank. The selector shall execute a mortgage securing repayment of the advance together with interest thereon. The term of the advance shall be forty years, and shall be repayable with interest. In the case of Crown land, the interest during the first year shall be at the rate of $3\frac{1}{2}$ per centum, during the second year 4 per centum, and during each subsequent year at an increased rate of $\frac{1}{2}$ per centum on the rate charged in the last preceding year until the rate equal the actual rate of interest payable by the State in financing the scheme. In cases where the land was acquired by the Minister, the rate of interest during the whole term shall be fixed by him, taking into consideration the rate of interest payable in respect of the debentures or loan money out of which the compensation for the land acquired was paid. In



PINEAPPLE FARM AT BEERBURRUM, WHERE THE FIRST SOLDIER SETTLEMENT HAS BEEN ESTABLISHED.

neither case shall the rate of interest exceed 5 per centum. The amount advanced with interest shall be repaid within a term of thirty-three years, commencing after the expiration of seven years from the date on which the advance was made, by half-yearly payments of £3 2s. 6d. per centum. Advances (not to exceed £700), in addition to the above, may be made in the usual manner under '*The Queensland Government Savings Bank Act of 1916*,' for the purpose of the purchase of stock, machinery, or implements, and for further improving the property, also for unspecified purposes. These advances have a currency of twenty-five years. The rate of interest is 5 per centum per annum. Simple interest only is payable during the first five years, and thereafter interest and redemption must be paid in half-yearly payments of £4 0s. 3d. per centum.

“The special benefits relating to advances by the Commissioner of the Queensland Government Savings Bank to selectors may be extended to any person who, at the passing of the Act, holds a selection and who is either serving in His Majesty's Forces during the present war, or a discharged soldier.

“To enable a soldier on active service to secure land, an application to select by any person who is absent from the State on service with any of His Majesty's Forces during a time of war may be made in the prescribed manner and signed by a parent, brother, sister, wife, or child, or duly appointed agent of such applicant. The condition of personal residence or occupation in respect of the selection may be suspended during the time the selector is absent on active service, and for a period of six months after his return, and during such period the conditions shall be deemed to have been performed. During his absence the selector shall be relieved from the payment of any rent or survey fee which may accrue, and the term of the lease of the selection shall be extended for a period equal to the time during which the selector has served with the Forces.—Department of Public Lands, Brisbane, 29th May, 1917.”

Finding Men Employment.

In certain instances the War Council employs the State Labour Exchange in finding work for discharged soldiers. This applies particularly to men who have not left Australia, having broken down medically while in camp, or for analagous reasons being rejected prior to embarkation. The Council is restricted by regulations from aiding such cases in the manner desired; but applicants are turned over to the Bureau, which gives preference to discharged soldiers. The objects aimed at by the Council are thus achieved satisfactorily.

CHAPTER 17.

INDUSTRIAL ARBITRATION.

The Government has clearly recognised that not only by the nationalising of definite undertakings can the benefits of advanced democracy be made accessible to the whole of the people. State ownership extends its advantages to all those of the community who may be consumers of the commodities affected by nationalisation, and yet greater gains result to those directly concerned as State employees. But the wages and living conditions of the big majority of the people necessarily depend on compulsory industrial arbitration and conciliation. In the matter of arbitration law, the Parliament of Queensland has advanced further than has any other Australian legislature. Partly this is because the existing Arbitration Act, passed during the 1916 session, being newer than those of any of the other States, and than the Federal measure, is based on the accumulated experience of more than a quarter of a century of legislation for the social and economic improvement of the people by means of compulsory minimum rates of pay and stipulated hours and conditions of employment. The Queensland Act, besides being the most effective, is also the most comprehensive.

Hitherto, State Arbitration Acts had lost in usefulness because of amendments imposed by reactionary forces during the passage of the measures through the respective legislatures, and particularly in the Upper Houses. The result has been expensive litigation and tedious delays. Strikes have occurred because of the weakness of the laws intended to prevent them. In most of its provisions, the Queensland Act marks an era of departure from the uncertain domain of experiment and enters upon the more stable territory of experience. In framing the Act the Government was greatly aided by the data rendered available by Mr. Piddington, of New South Wales, shortly before that gentleman was appointed chairman of the Interstate Commission. The Holman Government appointed Mr. Piddington a Royal Commission to report and make recommendations upon the various Australian industrial enactments. For many months he delved into the mountain of facts which long years of legislation, administration, strikes, settlements, and litigation had rendered available. Then a lengthy report was furnished to the Cabinet. How to frame a law at once effective, comprehensive, simple, and far-reaching was indicated in detail. But no legislative result accrued in the sister State.

Preference to Unionists.

However, the Queensland Government turned the investigation to the fullest use in framing a measure, which, though once rejected by the Legislative Council, was eighteen months later

passed, with some difficulty, through both houses. Only one principle was jettisoned. This was statutory preference for unionists. The newly-formed Arbitration Court has since granted preference in the Mount Morgan case. At first the power of the Court to grant preference was challenged, but the effort to limit the power of the judge and the efficiency of the measure failed. An appeal to the Full Arbitration Court settled that matter. Moreover, advanced union organisers are ceasing to attach importance to law-made preference; and the Australian Workers' Union does not now ask the court to grant preference, holding that preference can be better secured by the means lying in the hands of the union itself. Statutory preference is coming to be recognised as making, not for strength in organisation, but for a weakened type of unionism.

The wide scope of the Act is made manifest in the definition of the words "Industrial Matters," the meaning of that phrase determining the scope of the jurisdiction of the Industrial Court. The definition as here laid down was decided upon after a close study of the report of the Piddington Commission, and it is the most comprehensive yet attached under any law to the term. Mr. Piddington gave special attention to the limited jurisdiction of the court. Many awards in New South Wales—and, indeed, an identical experience has been met with in Queensland—have been upset on appeal to the civil courts, on the grounds that the Industrial Court had exceeded its jurisdiction. This result occurred in the cases where the Industrial Court had been dealing with specific disputes in which financial and other loss had taken place through conflict. The success of the appeals resulted in the resumption of the trouble; and the efforts of the Industrial Court, which otherwise would have proved successful, were completely frustrated. The wording of the definition is too lengthy to permit of reproduction here; but it is such that no matters likely under any circumstances to give rise to a strike or a lock-out are excluded from its meaning.

Scope of Act.

The new Act is made to apply to all callings except those of domestic servants and general farm hands not employed on sugar farms. The Industrial Peace Act, which the new measure supersedes, and the New South Wales Act apply only to certain callings enumerated in a schedule. This was the cause of endless difficulty. Workers engaged in many callings could obtain no relief from the Court, and in a number of cases proceedings had actually commenced, and in some instances awards had been delivered, when the whole of the proceedings were rendered abortive because it was found that they applied to callings not covered by the schedule. The Government service is included within the operation of the present Act.

Jurisdiction.

The Industrial Court is given improved status. Under the old Act there was no power given to the Court to deal with an industrial dispute which was the subject of a compulsory conference, when the conference proved abortive. The judge is now enabled to make an award in any matter on which a conference is held under the provisions of the Act and on which the parties fail to come to an agreement.

Direct reference to the Court of a dispute is provided for. This proves of immense benefit. Under the Industrial Peace Act nearly all proceedings had to be commenced before an Industrial Board, irrespective of the number of men or importance of the interests involved. In 1916, the Court had no power to deal with an important sugar case until the boards in the various districts had sat, and, after protracted delay, had given their decisions. During the whole currency of the Industrial Peace Act, except under rare circumstances, all industrial matters first went before boards, which spent many months of vexatious procrastination before framing a finding. When the boards gave their awards, appeals nearly always were lodged. In most cases, under the old law, more than a year each has been spent between the lodging of an application for a board and the granting of an award. In the case of the Brisbane clothing trade, the board sat for nearly two years before a decision was arrived at. Under the new machinery, the employers or employees, or a union, may refer a dispute direct to the Court. The Court may, and in most cases does, hear the dispute itself. But it may refer the dispute to a board for inquiry and report. Except under special circumstances, a board will not itself give an award. But little delay occurs, even if a matter is remitted to a board for inquiry, because provision is made for the boards to be speedily constituted and to continue the business on hand without interruption until the report has been completed.

Retrospective Awards.

The Court is empowered to give such retrospective effect to an award as it may "consider right, fair, and honest, or as may be consented to by the parties to the whole or any part of the award." A provision is to the effect that the retrospective effect may be made to operate from the date when the Court first took cognisance of the matter in question. This is a reasonable and just feature of the Act, and without it the Court could prove but a useless instrument with which to attempt the termination or prevention of strikes. A distinct improvement is secured in provided that, in the case of a shop employing people required to start and finish work at a certain time, the shop must open and close at that time.

General Rulings.

A feature of outstanding importance is contained in the power conferred on the Court to declare general rulings for the guidance of suitors and of boards, and in order to prevent a multiplication of inquiries into the same matters. These declarations are binding upon the Court and any board or industrial magistrate. The Court may from time to time make declarations as to the cost of living, the standard of living, the minimum rate of wages to be paid to persons of either sex, and the standard hours, as well as on other matters. Also it is provided that the minimum wage of an adult male employee shall be not less than is sufficient to maintain a well-conducted employee of average health, strength, and competence, and his wife and family of three children in a fair and average standard of comfort.

These features are not included in any other Arbitration Act in existence. They enable the Court to make inquiries and to declare general rulings on topics of the greatest importance to wage-earners. The provision as to the minimum wage for the adult worker was stated by Mr. Justice Higgins to represent a guiding principle of the Federal Arbitration and Conciliation Act. But it has never previously been inserted in any law. Under the present Queensland measure, the Court and the boards must always follow what is thus made a statutory principle.

A Statutory Eight-Hour Day.

The Act provides a universal eight-hour working day in all callings to which the Act applies, except the carting trade, the removal of house refuse or night-soil, parcels deliveries, employees on coastal, river, and bay steamers, and musterers and drovers of stock. No other country has ever passed a law containing such a feature. The nearest approach to it has been where an eight-hour day has been the subject of an Act relating to certain callings, such as coalmining or railway work. The section containing this feature will have the effect of reducing the number of hours worked in many callings, and for all time protecting the eight-hour principle. This is an actual and tangible reform directly benefiting very many workers. In mining, it is provided that the hours of labour shall not exceed eight per day from bank to bank, and that, where the temperature is over 85 degrees Fahr., they shall not exceed six hours from bank to bank. Where overtime is worked, it must be paid for at the rate of not less than time and a-half, and in callings where shifts are worked it must be paid for at not less than double time.

When one employee is called upon, in any one day, to work on two classes of work for which varying rates of pay have been awarded, he must receive, for the whole day, the rate for the work for which the highest rate has been awarded.

A new feature—and one specially dealt with by the Piddington Commission—provides that if an award is made for an industry covering a number of crafts, the wages fixed for any craft within the industry shall not be less than the rates fixed for that craft in any award dealing solely with it, if such an award exists.

A section practically leaves the Industrial Court to determine whether or not it holds jurisdiction in “any industrial matter or any other matter which, on the face of the proceedings, appears to be or to relate to an industrial matter or which is found by the Court to be an industrial matter.” This makes the Court completely watertight against the fatal and costly system of permitting the expensive questioning of the Court’s jurisdiction.

For the first time, conciliation is embraced within the ambit of the industrial law of Queensland. The Court is now empowered to “make all such suggestions and do all such things as appear to it to be right and proper for dealing with the case and bringing about the settlement of the case by amicable agreement.

Unionism.

The Act recognises industrial unions and makes proper provision for their registration. To a large extent the success of the Act depends on the co-operation of these bodies. The measure casts many duties upon the industrial organisations of the men; but it also extends to them many advantages. The working of an Arbitration Court cannot be successful without the aid of unions for the preparation of the cases for the employees. The unions must bear the costs of fighting disputes, must collect the evidence, and must arrange for and provide representatives to appear in court for the employees. The same need does not exist for unions of employers, as most employers are able, financially and otherwise, to represent their own cases in court.

An important feature is contained in the section dealing with the case of the registration of several unions for the same calling. It is provided that, where a union applies for registration for a calling for which another union is already registered, the Registrar may accept the application, and shall thereupon bracket together the two. No such provision is contained in the Federal or in any State Arbitration Act; consequently, of two *bonâ fide* unions in one calling, only one can be registered, and the other must be rejected. The Australian Workers’ Union was adversely affected by this disability on more than one occasion. The same organisation has been prevented from amalgamating with other unions because a third union, in the same

calling and already registered under the Federal Arbitration and Conciliation Act, has objected to the Australian Workers' Union including workers of that calling in its constitution and membership. Under the new Act more than one union is thus enabled to be registered for one calling; but facilities are provided to encourage unions to amalgamate.

Provision has been made for the chairman of an Industrial Board to be appointed by the Minister, when the members of the board have failed to choose one of themselves, within fourteen days, to occupy the position. The new Act sets out that, where it appears to the Court that a question has arisen as to the right of employees in specific callings to do certain work in an industry, to the exclusion of the employees in other callings, the Court may, on application made by an industrial union, constitute a special board to determine such question. This is an issue which frequently arises. For instance, recently there was trouble at the Government Dry Dock because the Dockers' Union claimed that the Ironworkers' Assistants had no right to chip boilers when a vessel was in the dock. Trouble frequently arises between the Marine Engineers and the Amalgamated Society of Engineers. The present attempt is the first effort on the part of any Parliament to cure the evil.

The Industrial Peace Act contained no recognition of unions as holding any power to enter into voluntary agreement with an employer or employers. The present measure removes this anomaly. Amicable arrangements of this character are welcomed.

The Common Rule.

The Court is now given power to declare that any industrial agreement shall have the effect of an award and be a common rule to any calling. Had this provision been in the Industrial Peace Act, the agreement made between the A.W.U. and the Mount Morgan Company would have become a common rule for the whole district. But instead of that taking place, the other companies which declined to meet the union had to be cited before the Court, and months were wasted in arriving at an award.

The Minister is empowered to constitute district conciliation committees. Great usefulness is expected from these bodies in such callings as those carried on in coal mines and meatworks, where the peculiar conditions lead to frequent points of difference arising between employers and employees. The committees will adjust many matters likely to develop into industrial disputes if not promptly dealt with.

The section protecting unionists from victimisation goes further than does any Arbitration Act yet passed anywhere. In cases arising out of this provision, the onus of proof that the employee has not been victimised is thrown upon the employer.

Courts, Boards, and Conciliation Committees are governed "in its or their awards and decisions by equity, good conscience, and the substantial merits of the case, without regard to technicalities or legal forms or the practice of other courts."

The Industrial Peace Act provided that a union must not be represented in court or on a board by a salaried union official. This disability is abolished. The newer measure provides that unions, employees, and employers may be represented by whomsoever they respectively may choose, providing a lawyer be not chosen. Provision is made for the appointment of industrial inspectors for the policing of the awards of the Industrial Court. Many employers now prohibit union officials from entering premises where workers are engaged. Provision is made to prevent a continuance of this policy. Permits may be granted by the Court to allow aged or infirm workers to accept and be paid less than the stipulated minimum wage for the calling at which they are occupied.

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CHAPTER 18.

LEGISLATION PASSED.

The 1915 and 1916-17 sessions of the State Parliament stand unique in the annals of responsible Government in Queensland. The period is rich with the record of an important work accomplished in the teeth of unprecedented difficulties, whilst a large quantity more was seriously attempted. The history of the two sessions marks an epoch in the progress of enlightened democracy; and, though the inherent hostility of the Legislative Council to innovation has prevented the Assembly passing some of the measures to which the electors of the State gave their endorsement on 22nd May, 1915, the Lower House has nevertheless established the most sweeping list of legislative reforms yet achieved in the history of the State during a similar period of time. Probably no Australian State Parliament has done so much in the short space of two sessions to bring legislative and administrative adjustments into conformity with enlightened public opinion. Acts relating to land tenure and industrial arbitration and conciliation constitute notable examples.

The antagonism of the Legislative Council was not confined to matters of ordinary policy contained within the printed platform of the party which the electors, by so overwhelming a

majority returned to power in 1914. The nominee chamber also rejected proposals framed in order to meet war conditions; and the result was the placing of obstacles in the path of the Administration in its efforts to afford badly needed, and specially asked for, assistance to the Imperial Government. A case in point was the Meatworks Bill, passed by the Assembly in 1915 and again in 1916; but on each occasion so mutilated by the Council as to be robbed of effectiveness. This measure was aimed at giving to the State power to properly control and deal with the supply of meat for the Imperial troops, and also to safeguard the public against exploitation. A weakness in "*The Meat Supply for Imperial Uses Act of 1914*" lay in the Government not having been given power to take control of and operate meatworks. Early in 1915, the Imperial Government asked the Queensland Government to operate the various meatworks on their behalf; but the Legislative Council refused to sanction the application of the British authorities being complied with.

The legislation finally passed already is improving the living and working conditions of the community at large. Industrial and commercial dislocation, resulting from the war, has clouded the view of these benefits to some extent; but they will stand revealed in their full importance when post-war conditions clear the economic atmosphere of the nation.

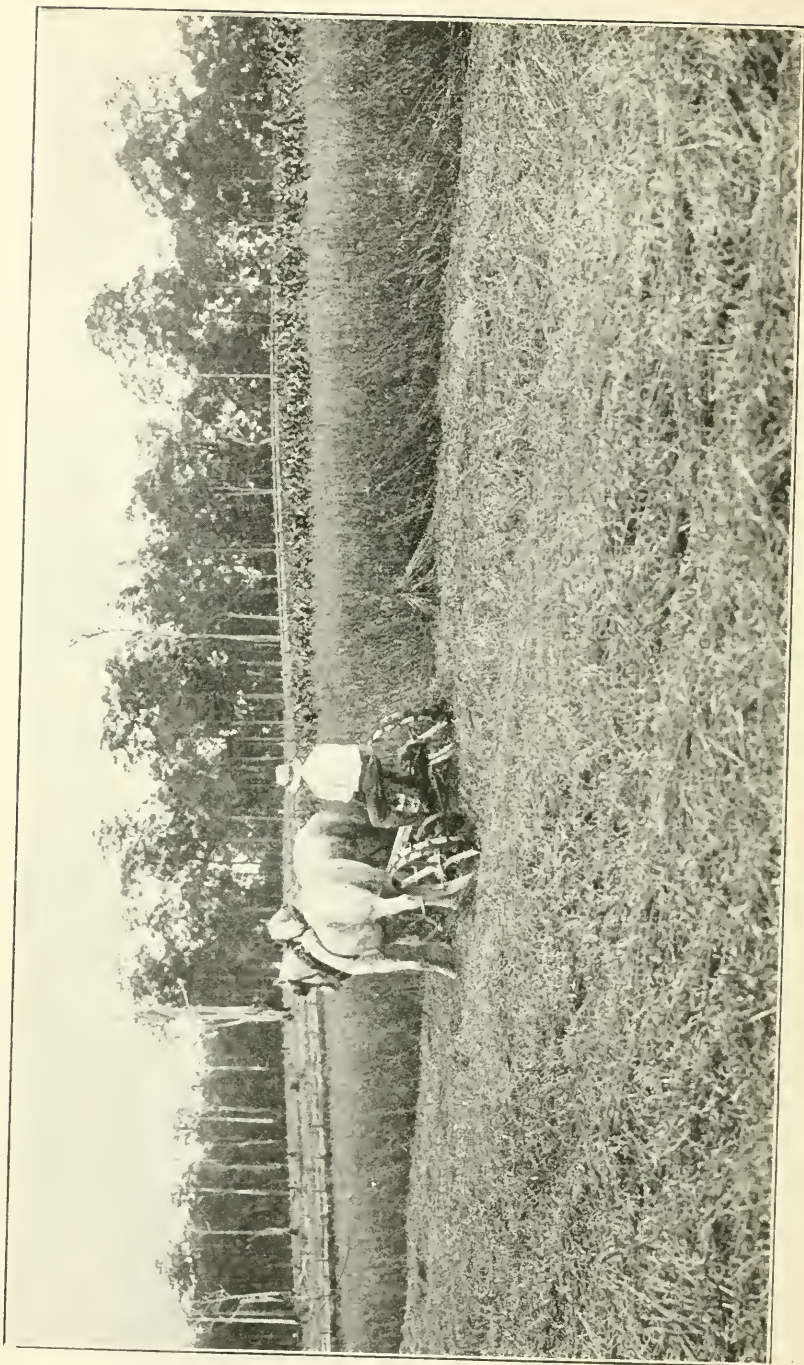
The following list of measures passed deal with those Acts which have not been explained at length in the previous chapters of this work:—

The 1915 Session.

The following are among the Bills passed by both Houses of Parliament during 1915. During that period 47 Bills were introduced, 35 were passed, 8 were lost, and 4 remained under consideration at the close of the year.

WAR MEASURES.

The Enemy Contracts Annulment Act.—This Act became necessary in consequence of the doubts as to whether the outbreak of war merely operated as a suspension of contract during the course of the war, or whether it operated as a discharge. The urgency of the measure was hastened owing to the serious position in Australia in respect of the base metals, which were practically under the dominance of German firms, clothed with British names. The Act is supplementary to the Commonwealth law, and gives power to the Federal Attorney-General to declare certain contracts styled "enemy contracts" to be null and void, and also enables him to suspend others under certain circumstances during the war.



TYPE OF LAND BEING USED FOR SOLDIER SETTLEMENT ON SOUTH COAST LINE.

SUGAR LEGISLATION.

The Sugar Acquisition Act.—This Act ratifies and confirms a certain proclamation relating to the compulsory acquisition by the Government of raw sugar and also authorises the compulsory acquisition of other commodities. The measure is explained at length elsewhere in this volume.

Sugar Cane Prices Boards.—The purport of this Act is to establish independent, competent, and impartial tribunals whose duty it will be to fix the price of cane. The measure is dealt with in detail in another chapter.

AGRICULTURAL.

The Brands Act is in the nature of a simplification and consolidation measure, and will prove a great boon to stockowners, who will now have the brands laws in a concise form. The operation of the Acts has also been considerably extended.

The Discases in Stock Act consolidates and re-enacts in a concise and up-to-date form former Acts.

LABOUR LAWS.

Labour Legislation.—Legislation dealing with inspection of machinery and scaffolding, while formerly appearing in the one Act, is now divided into two Acts. It is enacted that scaffolders must be licensed. In regard to machinery, stricter administration will be effected and closer supervision will obtain. In both branches the purport of the measure is to prevent accidents and protect the worker in his occupation. Regulations may be made as to boiler construction.

The Workers' Accommodation Act provides that workers should be given proper and sufficient accommodation. It is an extension of the Shearers and Sugar Workers' Accommodation Act principle to other workers in respect to construction works, meatworks, pastoral purposes, sawmills, shearing-sheds, sugar plantations, sugar works, and such other works as may be prescribed. A provision whereby honorary inspectors might be employed to assist in the administration of the measure was struck out by the Council. Sooner than lose the Bill, the Council's amendment was accepted.

Labour Exchanges.—This Act provides for the establishment of labour exchanges; for the licensing of persons keeping private employment agencies, and their regulation and other matters. The measure is explained in detail elsewhere in this volume.

The Metropolitan Water Supply and Sewerage Act Amendment Act will make many amendments in the principal Act as experience has shown to be required for its more efficient adminis-

tration. The main alteration in the measure, adopting the State electoral franchise, was deleted by the Council, but as provisions safeguarding life and limb were also included, the Assembly considered it better to agree to the Council's amendments than to allow the measure to be lost.

LAND LAWS.

The Agricultural Bank Act Amendment Act paved the way for a comprehensive consolidation Bill to be introduced next session.

The Agricultural Settlers' Relief Act was heralded with satisfaction by the settlers on Jimbour. Settlers who purchased the Jimbour Estate suffered dire losses during the drought. In order to assist them, the Government suspended payment of rent for a term of three years from 1st January, 1915, and will charge no interest for such period.

The Toowong Park Act permits the Trustees of the Brisbane Cemetery to sell to the Toowong Town Council portion of certain land for the purposes of a park and recreation ground.

LEGAL MEASURES.

The Public Curator Act establishes a Public Curator Office, which is explained in a special chapter.

Workers' Compensation Act.—This measure is the most up-to-date and far-reaching of its kind in the British Empire, and is dealt with in a special chapter.

The Trade Union Act.—This important Act brings the antiquated trade union laws up to date. Legislation similar to that in England to override the notorious Taff Vale case, so that trade union funds shall be immune from damages for tort, is included. Peaceful picketing under certain circumstances is made lawful, and the strict conspiracy sections of the Criminal Code are rendered nugatory. In other words, an act of omission (which if done by an individual would not be an offence) will not now be an offence under this Act when done by two or more persons in contemplation or furtherance of an industrial dispute. Sundry other important amendments are made in the law.

The Building Societies Act Amendment Act facilitates the amalgamation of certain societies in Brisbane to ensure economy in management and conserve the funds of the shareholders who, for the most part, are small wage-earners.

The Shorthand Reporters Act enables shorthand notes to be taken in Courts of Summary Jurisdiction. This Act will simplify and shorten procedure.

The Common Law Practice Act Amendment Act refers to actions for compensation in respect of fatal accidents. The measure provides that if there is no personal representative of the deceased, the action may be brought by all or any of the parties beneficially interested, or if the representative is neglectful, such action may also be brought. Again, in assessing damages there shall not be taken into account payments made by way of insurance moneys.

A Succession and Probates Duties Act Amendment Act exempts from probate and succession duty, to a certain amount, the benefits accruing to the widow, widower, lineal descendant (e.g., a child or grandchild) or lineal ancestor (e.g., a parent or grand-parent) from the estate of soldiers, doctors, and nurses who lose their lives in the present war, or in consequence of it. Its objects may be best explained in the words of Mr. Lloyd George when introducing the English measure in the House of Commons: "It would be unjust and unseemly that the revenue should profit by the premature death of those who sacrifice their lives in the service of their country to the detriment of their widows and children."

MINING.

The Mining Machinery Advances Act repeals the stipulation laid down in the principal Act, whereby a borrower had to procure from his own capital a contribution of a like amount to that advanced by the Government when desiring a loan in respect of the purchase or erection of machinery. This small Act is far-reaching, and will stimulate the development of the industry, while on the other hand still protecting the Department as to security for the loan advanced.

The Mining Act Amendment Act deals with forfeiture of mineral leases. Under the old law, no matter how long a lease may have been abandoned and have been lying idle contrary to the law, the Minister had no power to forfeit until he had twice imposed a fine. Many people have made application for forfeiture so that they could take leases up and work them, but such approval could not be given. This Act will now permit the Minister, in case of breach of any of the covenants of the lease, to either forfeit or impose a penalty. Of course, it is necessary to grant exemption in some cases to allow time for, say, erection of machinery; but the Act is to deal with those people who are holding large areas without working them, and, in many cases, where they do not intend to work them.

The Petroleum Act is declaratory of the Crown's rights to petroleum (defined as mineral oil in free state which may be obtained by borings or wells, and natural gas). In future in all Crown grants petroleum shall be reserved, and it is also declared that petroleum is and has always been the property of the Crown.

RAILWAYS.

The Railways Act Amendment Act will effect the decentralisation scheme in the administration of railways, and provides for the appointment of Deputy Commissioners at Townsville and Rockhampton. The scope of appeal to the Appeal Board is considerably widened, and the guarantee principle, as laid down by the 1906 Act and the 1914 Consolidated Act, has been repealed.

ELECTIONS.

The Elections Act is in the nature of a consolidation measure, and corrects the manifold failings and injustice wrought by the Elections Law of a past Government, which was the means of depriving many persons of exercising the franchise. A radical change is made in the electoral qualification, which is now six months in the Commonwealth, three months in the State, and one month in the electoral district. Procedure is much simplified, and the system of "star-chamber" questions obviated. Compulsory voting will, however, still obtain, and election articles must be signed.

WATER.

A small amendment of the Rights in Water Act was passed, the purport of which is to bring under the operation of the principal Act subartesian wells and water besides artesian wells and water. This Act will be beneficial to settlers in certain districts, who may now be able to form a water area and obtain monetary assistance to sink wells for their water supply.

HARBOURS.

A small Bill was passed enabling the Rockhampton Harbour Board to increase their borrowing powers from £300,000 to £400,000 to enable the board to continue their improvements and works, principally in the Fitzroy River.

TAXATION MEASURES.

The Land Tax Act is putting directly on the Statute-book a plank of the Labour party's platform. The object is not only revenue-producing, but the measure will be a check on the holding of land for speculative purposes, and will be the means of enabling land to be put to its full economic use. The unimproved value only is taxable; and an exemption lies up to £300. The tax will fall lightly on the small man, but more substantially on the absentee and the land monopolist.

The Income Tax Act Amendment Act is for revenue purposes, and increases the tax. Exemption of incomes up to £200 still obtains. The rate for moderate incomes is only lightly increased; but large incomes are taxed at a higher scale. Again, the absentee

tax is raised. The tax on incomes of companies which control public utilities or monopolies will be on a higher scale than that on ordinary companies.

The 1916-17 Session.

During the session occupying the latter half of 1916 and some three weeks in the beginning of 1917, 54 Bills were introduced, 32 were passed, 18 failed to pass the Legislative Council, and 4 were still under the consideration of the Legislative Assembly when Parliament adjourned till July. The following were among the 32 to pass on to the Statute-book:—

AGRICULTURE AND STOCK.

The Brands Act Amendment Act.—This Act amends the principal Act of 1916 and contains further provisions for the efficacy of brands and earmarks for purposes of identification. Power is given to the Registrar to modify any brand applied for in order to make it dissimilar to others already in the district. The Minister may also cancel a registered brand which is similar to another registered brand in the district. A fresh brand will be issued in the latter case without further fee.

The Diseases in Plants Act.—The object of this Act is to prevent the introduction and to provide for the eradication of diseases affecting vegetation, and it is considered that it will assist the fruitgrower. Wide powers are given to inspectors, as to entry of land, destruction of diseased plants and fruit trees and regarding other matters.

The Fertilisers Act Amendment Act.—This measure is to ensure that natural manures, when sold as fertilisers, shall contain a prescribed percentage of manurial properties; also lime, when sold as a fertiliser, must be up to a certain standard.

The Fruit Cases Act Amendment Act.—This measure will prevent the deception of the public and small trader in regard to the purchase of fruit and vegetables. The outer layer or shown surface of fruit or vegetables for sale must be so arranged or packed that it is a true indication of the fair average quality of the whole contents of the case or package.

BANKING AND INSURANCE.

The Queensland Government Savings Bank Act.—This Act amalgamates the Government Savings Bank, the Agricultural Bank, and the Workers' Dwellings Board and places them under the control of a Commissioner with plenary powers. The Commissioner is given very wide powers of making regulations; and, generally, the scope, whole tenour, and purpose of the Act

are to extend the usefulness and enhance the operations of the Bank, in relation not only to banking business, but to advances for agricultural settlement and provision of homes for workers.

DOMESTIC AND MUNICIPAL MEASURES.

The Health Act Amendment Act.—The principal matter which was left in this Act after having been considerably amended by the Legislative Council deals with Venereal Diseases. Persons other than medical practitioners are prohibited from treating a patient suffering from this complaint. Persons suffering therefrom are required to seek medical aid. Medical practitioners must report the cases under treatment (omitting patient's name and address). However, the name and address of the patient will be reported on "failure of" patient to continue treatment. Knowingly infecting other persons is made an offence. Marriage may be declared a nullity in certain circumstances. Power is given in certain cases for detention of diseased persons. All subsidised hospitals are required to give treatment. Certain advertisements of cures of certain diseases are prohibited.

The Gas Act.—This Act will prescribe standards of heating power, purity, and pressure of gas, and will regulate the price charged. It also regulates companies and others supplying gas. Gas referees may be appointed, and are imbued with powers of compelling gas companies to extend services to defined localities not supplied. The referees may fix the price of gas, but appeals may be taken to the Arbitration Court. The owner of premises within twenty-five yards of a gas main may compel the company to supply him with gas.

The City of Brisbane Improvement Act.—This Act authorises the Brisbane City Council to take property for enlarging and widening streets, and otherwise improving the city.

The Lucinda Point to Halifax Road Act of 1916.—This measure authorises the Treasurer to apply £3,556, lying at credit of the Dungeness Harbour Dues Trust Account, for the construction of a road from Lucinda Point to Halifax.

The Traffic Act Amendment Act.—This measure regulates noisy brakes on vehicles, and prescribes brakes to be used on tram-cars.

FLOOD RELIEF.

The Clermont Flood Relief Act.—This Act extends relief to persons whose homes or places of business in Clermont were destroyed by the floods of January, 1917. It provides for the resumption of residence sites for sufferers who lost their homes. All rent received by the Crown for the first period of fifteen years

shall be paid to the Council in aid of expenditure for relief purposes or in repairing damage occasioned by the flood. Advances may be made under the Savings Bank Act for the purpose of erection of dwellings. Power is given to the Governor in Council to resume sites within the flood-liaible area.

HARBOURS.

The Townsville Harbour Boards Act Amendment Act.—This is a measure of local interest, altering the method of constituting the Townsville Harbour Board.

LABOUR AND INDUSTRIAL MEASURES.

The Factories and Shops Act Amendment Act.—The object of this measure is to remove defects in the existing legislation. Inspectors are to have jurisdiction throughout the whole State. Provision is made for the annual registration of shops, which will result in better supervision of them. Fees are prescribed for the registration of factories and shops. There are new sections relating to sanitary conveniences, the overcrowding of factories and shops, ventilation, eating accommodation, and other matters affecting the health and comfort of employees. The Act prescribes improved minimum rates of wages for persons under and over twenty-one years of age employed in factories or shops. Employers are prohibited from receiving premiums, except with the consent of an inspector. The Governor in Council may exempt any shop or class of shops in any district from the operation of the Act. Provision is made for the abolition of night shopping, by agreement between the employer and employees embodied in an industrial award. A person is not to be employed continuously in a shop for more than five hours without an interval of at least half an hour for a meal, during which interval the employee may leave the premises. The time occupied by carters in attending to their horses is to be included in the statutory period of their week, and the termination of each working day is fixed as the time at which the employee leaves the stable, yard, or depôt where his horse is usually stabled. Hawking after the closing hour of shops is prohibited. Hitherto it was permissible for half an hour after such time.

All furniture is to be stamped to indicate whether the article has been made by "European labour only," by "Chinese labour," or by "European and other labour." The measure will greatly facilitate the work of the Director of Labour and his officers and at the same time ensure working conditions in factories and shops which will be to the advantage of employers and employees.



A NATIONAL PARK WATERFALL.

There are few districts in Australia which can boast of natural beauty equal to that of the National Park, and certainly no other region can justly claim to possess greater scenic and climatic attractions. This beautiful waterfall is set in the heart of the National Park, and in summer, in particular, it has a charm which can be appreciated by even the most prosaic of individuals. The time will come when the National Park will enjoy a name and fame similar to those of the Blue Mountains of New South Wales.

The Factories and Shops Act Further Amendment Act.—This small measure corrected an anomaly in the Factories Act above referred to in reference to the weekly half-holiday.

The Workers' Compensation Act (Industrial and Mining Diseases) Amendment Act.—This Act provides compensation in respect of certain industrial and mining diseases. The measure treats of two classes of disease. Firstly, diseases arising out of certain industries, as follow:—

Anthrax.—Wooleombing, woolsorting, and handling of hides.

Lead Poisoning.—From the manufacturing or other process involving the use of lead.

Mercury Poisoning.—Manufacturing process involving use of mercury.

Arsenic Poisoning.—Manufacturing process involving use of arsenic.

Septic Poisoning.—Work involving handling of meat or manufacture of meat products.

The scale in the principal Act as to compensation will apply in the case of this class of disease—*i.e.*, £600 maximum in case of death, £750 maximum in case of incapacity, and a maximum weekly payment of £2 per week.

The second class of diseases are occasioned by employment in mining, quarrying, stone-crushing or stone-cutting work. Such diseases as silicosis of the lungs, miner's phthisis, pneumoconiosis, "beat hand," miners' "beat knees," "beat elbow" may be mentioned. The amount of compensation is based on a new table as follows:—Where death is the result, a funeral allowance not exceeding £20; and to the widow the sum of £1 per week, for each child under fourteen years, 10s. per week, provided that the total amount payable shall not exceed £2 10s. per week or £400 in all, less any amount paid during incapacity within ten years prior to date of death. Where incapacity for work is the result, a maximum amount of £1 per week and medical comforts in the discretion of the Insurance Commissioner; to each child under fourteen years 10s. per week, provided that the total amount payable shall not exceed £2 10s. per week, or £400 in all.

The operation of the Act was limited to two years from the 1st July, 1917, by an amendment of the Legislative Council.

LAND REFORM.

The Land Act Amendment Act.—The abolition of granting land in fee-simple or sale, and the substitution of the perpetual lease system is the main principle embodied in this Act, which

is of a most important and far-reaching character. Rent will be subject to revision every fifteen years and will be based solely on the unimproved value of the land; whilst an outgoing tenant will be paid in full for all improvements he leaves behind. Preference will, as among applicants, be given to those who are landless; and the aggregation of large areas in single hands is restricted. In cases of "dummying" improvements are forfeited and severe penalties may be inflicted. Previous disabilities in the matter of mortgaging as transferring leases are modified or removed. Substantial encouragement is given to residence on holdings and to the cultivation of land. As a whole, the measure scientifically applies the system of land tenure now recognised by modern economists to be, in principle and in practical application, the most conducive to the wealth and well-being of a nation.

The Land Surveyors Act Amendment Act.—This Act provides that surveys may only be lawfully effected by authorised surveyors, and it widens the powers of the board in dealing with inaccurate surveys and negligence.

The Public Works Land Resumption Act Amendment Act.—When land is acquired by the Government for opening for selection under the Closer Settlement Acts, the value of such lands is determined by the Land Court. The above amendment of the Public Works Land Resumption Act provides similar procedure in cases where the Government is desirous of purchasing freehold land which has been offered for sale, but the Minister is not prevented from purchasing, without a report from the Land Court, land the value of which, with improvements, does not exceed £2,000.

LEGAL REFORM.

The Money Lenders Act.—This Act provides for—(1) the registration of money-lenders, (2) power of the Courts to review transactions, and (3) other matters.

As to the power of the Court to review transactions, when proceedings are taken by a money-lender for the recovery of any money lent, or the enforcement of any agreement in respect of money lent, and there is evidence which satisfies the Court that the interest charged is excessive, or that the amounts charged for expenses are excessive, or the transaction is harsh and unconscionable, or is such that a Court of Equity would give relief, the Court may reopen the transaction and may relieve the defendant from payment of any excessive sum, and if an excessive sum has already been paid, the Court may order the money-lender to repay it. Or the borrower may receive the same relief by himself applying to the Court. The Act also enables those transactions

known as hire-purchase transactions to be reviewed upon the application of the parties to the Court, which will have power to grant the same relief as in the case of money-lending transactions.

Demanding a fee from a creditor for debt collecting is made an offence. A penalty will be imposed on persons who send circulars to infants inviting them to borrow money.

MEDICAL.

The Dental Act Amendment Act.—One of the objects of this Act is to grant relief to certain deserving persons who since 1902 (the date of the principal Act) have been under certain disabilities owing to them not being able to register.

MINING REFORM.

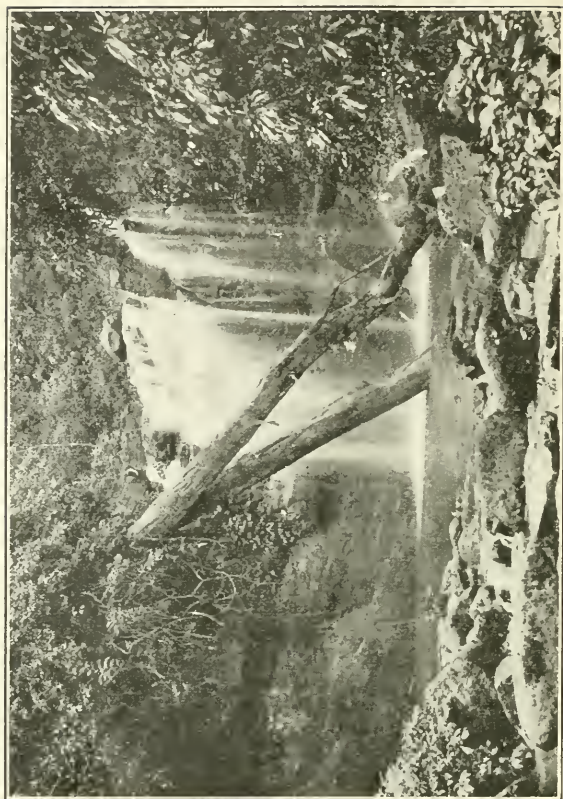
The Mines Regulation Act Amendment Act.—This Act adds important provisions and amends sections of the principal Acts found to be defective in the course of administration. The provisions of the Mines Regulation Acts are applied to stone quarries where the workings are likely to be dangerous. Better facilities are afforded for miners reporting any dangers they observe in mines, and provision is made for payment of miners' inspectors. A section is inserted to prevent mine managers being hampered in carrying out the provisions of the Act by persons placed in authority over them by mining companies, and the number of mines which can be placed under the control of one manager will be limited by the Act to the number he can effectively supervise.

More complete reports from mine managers are provided for in regard to all dangerous occurrences in mines, whether any person is injured or not, and important alterations are made with regard to the conduct of accident inquiries so that the miners sitting at the inquiry with the warden will be selected from a list supplied and kept up-to-date by the association's representative of the miners on the field. The finding at the inquiry will in future be announced by the warden at the conclusion of the inquiry.

Managers are required to keep a register of boys employed under the age of eighteen years, and there are some new provisions regarding the keeping of mine plans, chiefly in amplification of previously existing provisions.

Power is provided for mine managers to prosecute for breaches of the special rules for order and discipline in mines.

The class of apparatus to be kept at the ventilating shaft of collieries for raising and lowering men in case of emergency is fully specified, and provision is made for granting certificates to



A SCENE IN NATIONAL PARK.

This is one of many typical views in the area reserved by the Government for a National Park. Waterfalls of surpassing beauty are numerous along the many rivulets and creeks which carry the waters from the forest-clad heights to the heavily-timbered lower levels. As there is a good rainfall practically all the year round, these waterfalls are seldom dry, and in the summer time in particular they are a source of constant delight to the city dweller who elects to spend his holidays far from the din and dust of the crowded city.

deputies and mine electricians where there is explosive gas or other circumstances that require it.

RAILWAYS AND TRAMWAYS.

The Japoon Tramway Act.—This enactment validates an agreement between the corporation of the Treasurer and the Adelaide Steamship Company, Limited, for the acquirement by the Treasurer from the company of the Japoon Tramway.

The Mount Molloy Railway Act.—This Act authorises the Minister for Railways to agree with the liquidators of Mount Molloy, Limited, providing for the acquisition by the State of a tramway constructed from near Bibbohra, on the Cairns-Mareeba Railway, to Mount Molloy.

SUGAR LEGISLATION.

The Sugar Works Act Amendment Act.—This Act authorises the corporation under the "*Sugar Works Guarantee Acts Amendment Act of 1908*" and "*The Sugar Works Act of 1911*" to acquire land and construct, maintain, and work any tramway or railway upon any road or land, including Crown land. With the approval of the Governor in Council, the corporation of the Treasury may carry for hire upon its tramway passengers, goods, live stock, and material for the public. The corporation, under "*The Sugar Works Act of 1911*," is empowered to acquire any existing tramway, wharf, or other work. This corporation may make an adjustment, either by reduction of or addition to the capital cost of the sugar-works vested in the corporation, on the issue of a certificate similar to that in section 10 of "*The Sugar Works Act of 1911*." The amount of interest on the capital cost is to be varied, according to the reduction or addition.

The Corporation under "*The Co-operative Sugar Works Act of 1914*" is empowered to acquire any existing tramway, wharf, or other work, and may also, with the approval of the Governor in Council, carry for hire upon any tramway for the time being vested in or under the control of the corporation, passengers, goods, live stock, and material for the public. The corporation may compulsorily resume an easement over lands used for any existing tramway or railway for the purpose of crossing such tramway or railway by means of its own tramway or railway.

TAXATION MEASURE.

The State Salaries (Commonwealth) Taxation Act.—This measure will permit of the Commonwealth taxing the official salaries of "Officers of the State of Queensland" and the salaries of Ministers of the Crown, members of Parliament, and others. The measure is retrospective in its operation, dating from 1st July, 1914.

CHAPTER 19.

NATIONAL PARK.

In a region of wondrous beauty in the heart of the southern highlands of Queensland, an area of 47,000 acres has been permanently reserved as a National Park. Within a few hours of the Metropolis, and yet overlooking the north-eastern border lands of New South Wales, this district possesses scenic and climatic advantages with few equals in the whole Commonwealth. It is a land of superb natural beauty and extensive mountain views, and it is distinguished by a mildness of temperature which will make it a health resort of considerable importance in the not far distant future.

The establishment of a National Park was first mooted a few years back, but it remained for the Ryan Government to dedicate and set apart an area for public use. One of the earliest actions of the Hon. J. M. Hunter, as Secretary for Public Lands, was to cause this area to be proclaimed a National Park, thus providing a heritage of health and beauty for unborn generations of Australians, who will not fail to pay him well-merited tribute.

This National Park is actually a plateau which has a mean elevation of 2,500 feet above the sea. For its southerly boundary it has the magnificent Macpherson Range with its noble treeless peaks rising in majestic splendour to the sky. A series of plateaux, whose geological formation is as notable as the beauty of the natural forest which adorns them, is to be found on the northern side of this range. Here in these plateaux many rivers have their source, such as the Logan, Albert, Coomera, and the Nerang. Springing from little mountain rivulets, the streams increasing in magnitude as they descend towards the sea, at last discharge into the narrow island-studded passage between Stradbroke Island and the mainland. Looking southward an incomparable vista of mountain, plain, and ocean opens up to the eye. Right below the Tweed Valley unfolds its graceful curves, and the coastline of Northern New South Wales sweeps away until it is lost in the haze of distance. Beyond the mighty relentless Pacific rolls in. Inland, Mount Warning rears its rugged head into the clouds, and the tree-clad valley of the Richmond winds into obscurity. Here at the southern end of the plateau are the greatest elevations. Some of the culminating points, in fact, are more than 3,000 feet above the sea level. Lamington Plateau, with the head waters of Christmas, Waterfall, and Running Creeks, comes within the boundaries of the Park and Mount Widgee, and the associated heights are in close proximity to the southernmost border. The northern portion is fairly easy of access from Canungra, the present terminus of the branch railway, thence by way of the crest of the Darlington Range and

the watershed spurs. This route leads to the very heart of the area and connects with Lamington Plateau and the proposed route of the Kyogle-Beaudesert railway, which, it is hoped, will some day connect Sydney and Brisbane.

Verdant forest clothes most of the Park area—

“the mountains wooded to the peak,
The lawns and winding glades, high up like ways to Heaven.”

Towards the tops of the ranges dense scrub occurs in patches, which display a truly wonderful variety of forms of vegetable life. Here flourishes our only true beech—*Fagus Moorii*, considered to be one of the most interesting trees in the world, comparable in this respect to the famous dragon tree of Teneriffe. Grand forest vegetation adorns all the lesser heights, and the mountain streams rush seawards through boulder-strewn channels, between fern-lined banks, and beneath overhanging vegetation of surpassing beauty. Myriads of waterfalls mark their course. On the lower levels the timber trees are gigantic, rising above the fern palms and carrying on their graceful stems and waving branches staghorns and orchids of loveliness unsurpassed. Plant life is particularly profuse in the valley of the Upper Christmas Creek and in the head waters of the Coomera River, Canningra Creek, and neighbouring streams. Vines and creepers drape themselves artistically from almost every tree, whilst the ground is covered with a bewildering variety of ferns and wild flowers. It is a notable fact that out of 225 well-defined varieties of Queensland ferns, no fewer than 100 are found within the confines of the National Park.

With the grandeur of the mountain scenery, the rugged slopes, the deep ravines, the sweeping valleys with their swift-rushing streams, the sylvan scrubs, and the loveliest of vegetation, there is an area of natural beauty which has few rivals—

“So wondrous wild the whole might seem
The scenery of a fairy dream.”

Here in this modern Eden the native fauna is protected by the State. There is an interesting variety of the marsupials of Eastern Australia and a numerous collection of birds, including Prince Albert's lyre bird and the bell bird. No doubt, under State protection, they will multiply until their numbers are great in the land.

The climatic conditions are superb, the midday temperature in summer averaging about 20 degrees Fahr. lower than that of Brisbane at the same time of day. Even when the sun is shining brightly the air is usually cool, dry, and exhilarating, excessive humidity being entirely absent. The Plateau is entirely free from the biting winter conditions which obtain in other elevated regions in the Southern States. During the winter months the

predominating feature of the climatic conditions in this district is the cold, dry, bracing air, which is accompanied by clear, cloudless skies. As a sanatorium for the city dweller the Park has few equals in the whole of Australia, and certainly it has no superiors.

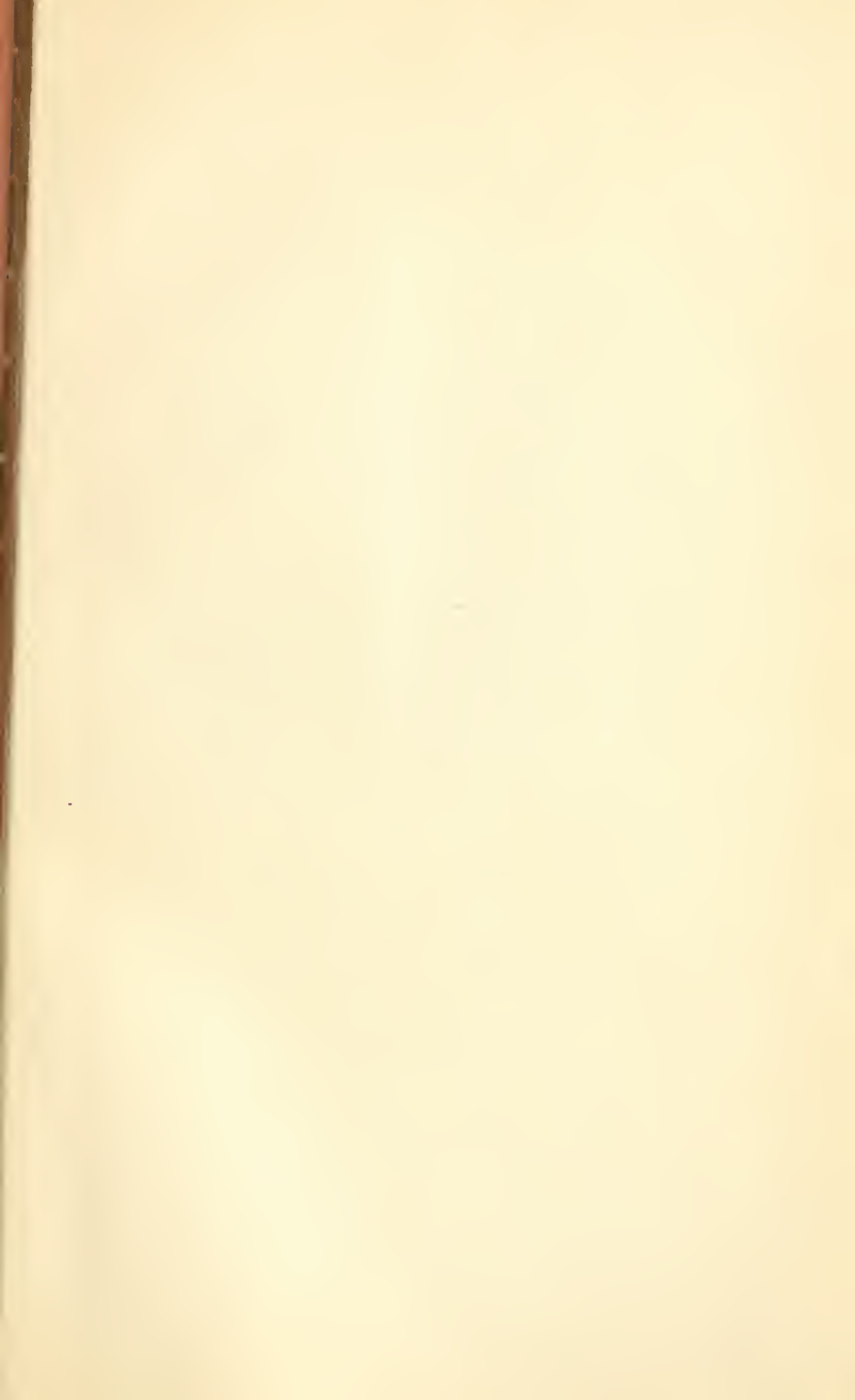
Already preliminary steps to make this National Park available to the public have been taken by the Hon. J. M. Hunter, at whose direction a topographical survey is being carried out. This will form the ground-work for future developments leading to a wider public knowledge and appreciation of this great national asset. Present financial conditions preclude any extensive expenditure on the preparation of the area for public use, but the foundations of the work have been laid, and it is merely a question of time till beautifully graded roads traverse the area, whilst rest houses occupy convenient and dominating positions throughout the reservation, enticing a steady stream of tourists from all parts of the Commonwealth. It is a pleasing fact that even in such a period of turmoil as the present, the Government, whilst not neglecting more pressing duties, should have taken the opportunity of providing such a noble heritage for future generations.

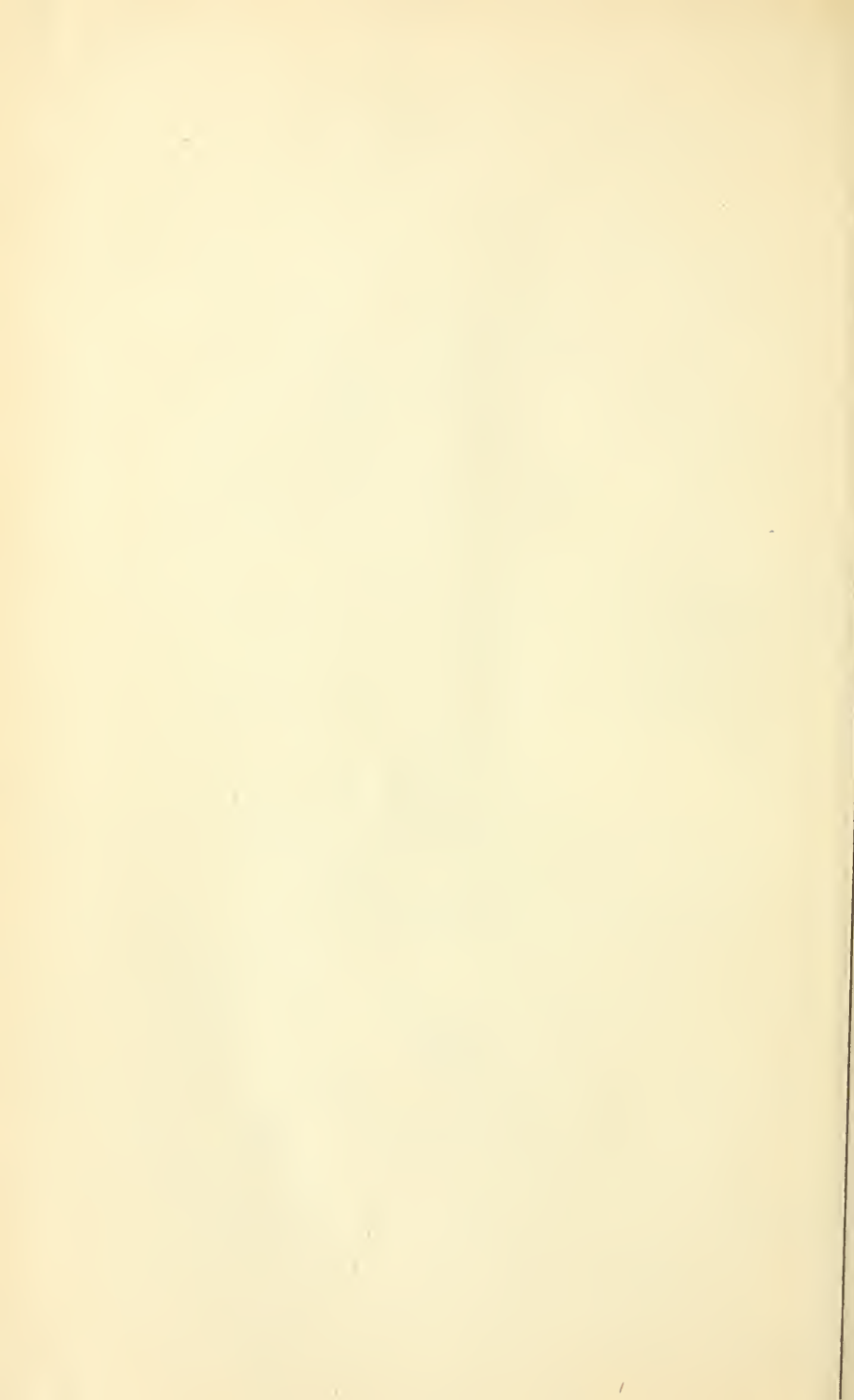


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